No. 28,463

FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT
Thursday May 7 1981
***25p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 28; DENMARK Kr 6.00; FRANCE Fr 4.50; GERMANY DM 2.0; ITALY L 800; NETHERLANDS Fl 2.0; NORWAY Kr 6.00; PORTUGAL Esc. 50; SPAIN Pta. 75; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 35p; MALTA 25c

NEWS SUMMARY

GENERAL

Court order for Charles

Prince Charles and Lady Diana Spencer were granted a High Court injunction restraining journalist Simon Regan from disclosing telephone conversations allegedly tapped while the Prince was in Australia.
Regan said a German magazine had bought hte transcripts and was determined to print them.
The Government may introduce legislation to control chequbook journalisim. This emerged after it was revealed that the Queen had writen to the mother of one of the women killed by the Yorkshire Ripper.

The Quen expressed distaste over chequbook journalism in the case.

Troops for Ulster

The Government has ordered a further 600 troops to be sent to Northern Ireland immediately. An upsurge of violence is feared following the Belfast funeral of IRA hunger striker Bobby Sands. Back Page

Bomb source

Police are satisfied that another padded letter device intercepted in London on its way to Labour MP Roy Hattersley was from the same person responsible for other similar devices.

Begin's poll gain

Israeli premier Menahem Begin, said in one poll to be gaining popularity, said of West Germany's Chancellor Helmut Schmidt: "He has never broken his oath of allegiance to Hitler."

Strike threat

Officials of the Civil and Public Services Association expect delegates at their annual conference next week to vote for a national stoppage involving Employment, Health and Social Security areas. Page 10

Radio Solidarity

Polish union Solidarity has won the right to have its own radio and television studios and to broadcast its own programmes on the state network.

Jobless arsonist

Robert Bundy, of Teddington, who said he caused £42,000 of damage in 28 fires because he could not get a job, was given three years' probation by an Old Bailey judge.

Basque protest

Seventy-five Basques detained in a Madrid prison went on hunger strike to protest against an extradition hearing involving an alleged guerrilla in France.

Hopes raise

Iran has promised an early decision by judicial authorities on the case of British businessman Andrew Pyke, held in Tehran for eight months, Iranian newspapers said.

Tax code survey

About 10 per cent of all PAYE taxpayers were given the wrong initial PAYE ta xcode for 1981-82, a survey quoted by Sir Lawrence Airey, Inland Revenue board chairman, has shown.

Call for safe Pill

Indian premier Indira Gandhi urged scientists to step up the search for a safe oral contraceptive and denied that India practised forcible sterilisation.

Briefly . . .

Exiled human rights campaigner Andrei Sakharov appealed for the release of two Soviet dissidents.

Jailed raincoat chief Lord Kagan has been stripped of his knighthood.

Chinese journal Red Flag attacked the film Bitter Love for its condemnation of the late Chairman Mao.

BUSINESS

Gilts lose 0.44; equities 6.3 off

● GILTS were again unsettled. The Government Securities indoex fell 0.44 to 66.79. Page 38

● EQUITIES were erratic, and the FT 30-share index shed 6.3 to 570.6. Page 38

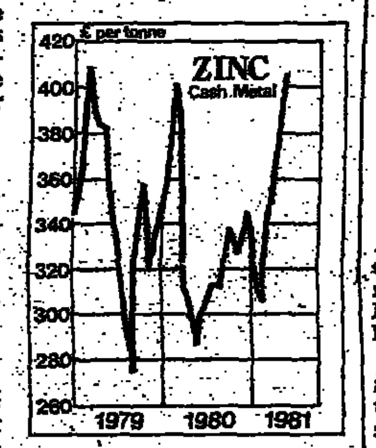
● DOLLAR finished above the day's low at DM 2.2580 (DM 2.2655). It eased to SwFr 2.0625 (SwFr 2.0675) and Y216.85 (Y217.75). Its trade-weighted index fell to 104.6 (105.2). Page 4?

● STERLING showed little changed. It was up 40 points at $2.1170, but slipped to DM 4.7825 (DM 4.79) and FFr 11.3250 (FFr 11.42). Its trade-weighted index fell to 98.9 (99.0). Page 44

● GOLD was up $4 at $480.5. Page 44

● WALL STREET was up 1.71 to 974.15 near the close. Page 31

● ZINC rose to its highest level since early 1979. Cash zinc closed £12 up at £405 a tonne,



and the three-months quotation gained £9.25 to £412.5. Page 37

● MIDLAND BANK'S next chairman will be Sir Donald Barron, former chairman of Rowntree Mackintosh. He will replace Sir David Baran in a year's time. Back Page; Men and Matters, Page 18

● UNEMPLOYMENT solutions will be considered by the Government, joined by leaders of both sides of industry. Back Page; Region aid level worries, Page 7

● LONRHO lost the final round of its legal battle with Shell and BP over alleged Rhodesian sanctions-busting by the two oil companies. Page 8

● TARMAC and WIMPEY, the constructions companies, and their respective merchant banks, are to form a joint company to promote a £1.73bn twin-tube Channel Tunnel. Page 8

● BRITISH TELECOM has cut its £2.2bn capital investment programme for this year by over £200m because of Government limits on borrowing and lower revenues. Back Page

● ICI is still making heavy losses on its plastics operation, and warned staff that the business faces "further substantial cuts." Page 7

● DOME PETROLEUM, Canada's largest oil exploration company, is to bid US$910m (£430m) for a 13 per cent stake in Conoco, ninth largest U.S. oil group. Back Page

● ALFA ROMEO, the Italian state-owned motor group, is to to pay a symbolic dividend, its first in nine years, after registering a tiny accounting profit. Page 30

● P and O Steam Navigation Company increased pre-tax profit from £38.72m to £47.06m in 1980. Page 20; Lex Back Page

● GENERAL ACCIDENT Fire and Life Assurance Corporation reported pre-tax profits up 54 per cent to £18.5m for the first quarter. Page 24; Lex Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Boustead	178	+ 9	Bellway	91	− 4
Common Bros.	310*	+ 15	Bestobell	453	− 5
Finlan (J.)	142	+ 6	Bowater	258	− 5
Hall (M.)	415	+ 7	Brixton Estate	149	− 9
Highgate and Job	50	+ 7	Commercial Union	170	− 6
Peters Stores	130	+ 6	Dixon (D.)	142	− 8
Tarry (E. W.)	220	+ 15	Feedex	38	− 4
BP	394	+ 8	General Accident	334	− 10
Burmah Oil	151	+ 5	GEC	657	− 6
Ultramar	450	+ 7	Guardian Royal Ex.	324	− 10
Cns. Gld. Flds. Aust.	350	+ 20	GKN	173	− 5
Mount Lyell	115	+ 15	Hawker Siddeley	330	− 6
FALLS			Metal Box	204	− 8
Treas. 11¼pc 1985 (£15 pd.)	£12⅜	− ⅜	Mothercare	250	− 6
Treas. 15¼pc 1998	£106⅝	− ⅞	Plessey	290	− 11
			Tube Invs.	202	− 10

* Suspension price.

Money supply growth on target but early interest cut unlikely

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

AN EARLY cut in UK interest rates is highly unlikely even though the latest official figures suggest that the money supply is growing within the target range.

Bank of England figures published yesterday indicate that sterling M3, the broadly defined money supply, rose by about 2 per cent in the month to mid-April. It is officially reckoned that about 1½ percentage points can be attributed to the delay in tax receipts caused by the civil service dispute, leaving an increase of between half and one point due to other causes.

The rise was towards the upper end of the expected range and prices of long-dated gilt-edged stocks, £¼ down before the announcement, closed £1½ lower for a two-day loss of nearly £3.

The British Government has decided to take a cautious view on interest rates, only partly because of the statistical fog created by the civil service dispute.

A major influence has been overseas developments in the last fortnight and the sharp rise in interest rates abroad, notably in the U.S. The resulting capital flows, including the slight weakening of sterling and the pressure on the French franc, has made interpretation of the right policy stance difficult.

Officials believe it may take time to achieve a clearer vision.

Short-term monetary developments are broadly favourable though somewhat confusing. Aside from the civil service dispute, the seasonal adjustment has been recalculated to take account of new data, especially about the flow of tax payments.

The result shows that the rate of monetary growth was slightly faster than previously estimated in the first half of last year, and slightly slower than previously thought in recent months.

In the six months to April, sterling M3 has grown at an annual rate of between 8¼ and 9¼ per cent, depending on how much is deducted for the civil service dispute. This is three points less than on the old basis and compares with an official target range of increase of 6 to 10 per cent a year.

The public sector appears to have been a more contractionary influence than previously thought. In April funding remained high with large sales of gilts and national savings.

In contrast, bank lending to the private sectors in recent months appears to have been at a higher level than previously thought. The civil service dispute makes analysis of the April figures difficult since some companies may have used part of the money not going in tax payments to reduce their overdrafts. In addition, some of the mid-March distortions have been partially unwound. In the opposite direction any levelling-off in economic activity may have raised the demand for loans.

The London clearing banks yesterday said "The real underlying increase in lending was probably fairly modest—more in line with the early months of this year than in March when there appeared to have been some acceleration in the rate of growth."

Overseas influences may have been slightly contractionary last month, in part reflecting the weakness of sterling.

Banking tables Page 27
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Regan expects prime at 20%

By Ian Hargreaves in New York

MR. DONALD REGAN, U.S. Treasury Secretary, said yesterday that he expected the prime lending rate of commercial banks to increase from 19 to 20 per cent shortly, with high interest rates persisting in the U.S. "for a couple of months."

Mr. Regan's remarks were enough to cause a slight chill on Wall Street, where the markets had opened on a slightly brighter tone after seven days of unrelieved anxiety and soaring interest rates.

Generally, the tone on Wall Street yesterday was more settled, with a slightly firmer trend in stock and bond prices, and the dollar marking time.

The credit markets were somewhat encouraged by the reception buyers gave the Treasury issue of three year Notes late on Tuesday. These Notes carried a record yield of 15.81 per cent, but traders were relieved to discover buyer interest at this level.

Mr. Regan said he supported the Federal Reserve's tight money policy, which led to an increase in the discount rate on Monday, even though this was causing a number of problems for the Government, including serious difficulties for savings and loan associations.

Mr. Regan said the Administration was making progress with a package of proposals designed to held these associations—the equivalent of building societies in the U.K.—one of which might allow banks and other institutions to purchase ailing savings associations across state lines.

Peter Riddell adds: The dollar fell back slightly on foreign exchange markets yesterday after its sharp rises on Monday night and Tuesday. Trading was much quieter than earlier in the week and movements were small.

The U.S. currency slipped in London to DM 2.2580 from DM 2.2655 though it was above the day's low of DM 2.2440 after indications that U.S. interest rates would remain high.

Sterling rose slightly against the dollar, closing 40 points up on the day at $2.1170, though the pound elfl compared with the main Continental currencies.

Tokyo market fall, Page 31

£ in New York

	May 5	Previous
Spot	$2.1180-1190	$2.1100-2.1135
1 month	1.39-1.44 pm	1.06-1.12 pm
3 months	3.80-3.87 pm	3.12-3.20 pm
12 months	10.35-10.55pm	9.10-9.40 pm

Japan may not curb its car sales to Europe

BY CHARLES SMITH IN TOKYO AND JOHN WYLES IN BRUSSELS

JAPAN IS not planning to curb motor exports to the EEC and Canada as sharply as for the U.S. It may introduce much more limited measures for these two markets.

This stance is unlikely to satisfy the European Commission, which decided in Strasbourg yesterday to demand a limit on Japanese motor exports to the EEC "comparable to that decided by Japan with respect to the U.S."

Last week Japan agreed to introduce a three-year programme of voluntary restraints on motor exports to the U.S., provoking demands in Brussels and Ottawa for similar restraint in the EEC and Canada.

In Tokyo the Machinery Bureau at the Ministry of International Trade and Industry has been asked to draw up "proposals" for the EEC market, but said yesterday that it was finding the job difficult.

The EEC decision yesterday risks exposing serious divisions over trade strategy between EEC member-States. It is likely to reopen a heated debate between the Commission and Governments on how to turn back the rising tide o. Japanese imports.

EEC Foreign Ministers will probably discuss the matter the week after next. National delegations in Brussels thought that any final decision on how to react to the Japan-U.S. agreement might be delayed until it was apparent whether Japanese car manufacturers were diverting exports from the U.S. to Europe.

The Japanese Machinery Bureau appears determined to see that cars excluded from the U.S. do not overflow into EEC and Canadian markets. Latin America and the Middle East are expected to take up most of the slack caused by the U.S. curbs.

A Canadian delegation has arrived in Tokyo for three days of talks on Japan's motor exports and the question will be discussed at Prime Ministerial level in Ottawa next Saturday, when Mr. Zenko Suzuki meets Mr. Pierre Trudeau.

Japan exported 239,600 cars to the EEC in the 1981 first quarter, 18.3 per cent more than in the same period last year, with especially sharp rises in shipments to West Germany and Belgium, the main EEC markets remaining completely open to car imports.

The Japanese are likely in the next few days to decide to send Mr. Naohiro Amaya, Vice-Minister for International Economic Relations, to Brussels for talks on car exports.

U.S. car sales, Page 4

OPEC expected to agree to freeze on oil prices

BY PATRICK COCKBURN

A FREEZE on oil prices is expected to be agred at the next meeting of the Organisation of Petroleum Exporting Countries lu Geneva later this month.

Sheikh Abdel-Aziz bin Khalifa al-Thani, the Qatari Oil Minister, said yesterday: "I can state the price will be frozen due to the glut in the market."

He was speaking at a meeting of the nine-member Organisation of Arab Petroleum Exporting Countries in Kuwait.

Most OPEC members are worried by the continuing weakness of the oil market. Spot prices for crude dropped to $34 a barrel last week. This compares with an official OPEC price of $36 for most producers and $32 for Saudi Arabia's crude which makes up 42 per cent of total OPEC output.

At the start of the Iran-Iraq war in September, spot oil soared to $8 a barrel above the official price.

Confirming that a freeze on prices is likely to be agreed at the OPEC meeting in Geneva on May 25, Dr. Sobruto, Indonesian Mining and Energy Minister, and OPEC president, said the meeting was likely to keep prices at present levels in the hope that the big oil producers like Saudi Arabia will voluntarily lower their production.

Saudi Arabia is coming under heavy pressure from other oil producers to cut production from 10.3m barrels a day. High Saudi output, together with falling demand in the West and increased exports by Iran and Iraq, has led oil industry analysts to foresee a soft market in oil for the rest of the year.

In an apparent sofetning of the Saudi position Sheikh Ahmed Zaki Yamani, the Saudi Arabian Oil Minister, yesterday denied in Kuwait that he had ever called for a reduction in the price of crude oil. He stressed, however, his desire to reunify OPEC prices which have been in disarray since the start of the Iranian revolution.

Sheikh Yamani said that his statement on U.S. television last month that Saudi Arabia was keeping its production high to engineer a glut which may lead to pricing unity had been misunderstood.

Hhis softer line indicates that Saudi Arabia is now pessimistic about reunifying prices close to the Saudi level during the Geneva meeting.

A further sign of the weakening oil market came last month when oil companies, including BP and Shell, refused to agree to Kuwait's demand for a premium on top of the official price of its crude.

Sainsbury profits up

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

The J. Sainsbury supermarket chain has continued its remarkable trading performance despite the recession, effects of which are felt by most retailers.

Both sales and pre-tax profits were up sharply in the year to February 28, with turnover, including value-added tax, nearly 30 per cent more than in the previous 12 months at £1.6bn and pre-tax profits almost 43 per cent better at £65.8m.

At the half-way stage pre-tax profits were up by 58 per cent on sales up 31 per cent.

Sainsbury's success in producing such substantial profit increases is attributed to a significant volume increase, higher productivity, and an increased profit margin.

Sir John Sainsbury, the chairman, said yesterday that while sales value was up by almost 30 per cent, sales volume had increased by 17.3 per cent. This was the highest percentage increase achieved by Sainsbury in any year since food rationing ended after the war.

The volume increase in sales in established supermarkets was 11 per cent, a level reached only three times in the last 30 years. The remaining volume increase came from new store openings and expansion of stores.

Sainsbury's improved productivity is shown by the increase weekly in sales per sq ft. In 1979-80 these were £8.73, while last year they were £10.59.

Both higher volume of sales and increased productivity meant that net profit margins rose to 4.1 per cent, highest level for some years.

Sansbury says that its estimates for the food trade, based on Department of Industry statistics and figures from A. C. Nielsen, the market research company, shows that its market share has risen for the 30th successive year.

Continued on Back Page
Details Page 20
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White House enraged by $60m 'heist' of a legacy from Carter

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE Reagan Administration wasted no time on assuming office in unsheathing the budgetary scalpel. But it did not, it transpires, move fast enough to catch Carol Greenwald and the National Consumer Co-operative Bank.

With much self-righteous indignation and mutterings about the devious ways of bureaucrats and consumer activists, the U.S. Treasury and the Office of Management and Budget have accused Mrs. Greenwald of pulling off "a great heist" to the tune of a cool $60m (£28.5m).

Even more mortifying to the great axemen is that Mrs. Greenwald is not only refusing to return the money but is appealing to Congress, with some success, to support her resistance movement.

The story runs like this: The National Consumer Co-operative Bank was established by Congress in 1978 to provide loans to consumer purchasing co-operatives, groups of consumers who have combined to buy products, mostly food, at wholesale prices, which were having trouble raising money from the commercial banks. President Jimmy Carter appointed Mrs. Greenwald to head the bank in 1979.

It was always apparent, given its ideological tinge, that the Reagan Administration would look askance at such a venture. So, pre-emptively, Mrs. Greenwald took a look at what was left of Congressional authorisation for her bank ($60m) and wrote a U.S. Treasury cheque to her organisation for the money, which was then deposited in an account with the First National Bank of Chicago.

All this was perfectly legal; Mrs. Greenwald was one of those authorised to sign Treasury cheques and the money had been authorised by Congress. She was, arguably, a little cheeky in then writing a letter to Mr. Donald Regan, the new Treasury Secretary, thanking him for "expeditiously responding" to her request for funds.

The Reagan Administration not only wants to close down the bank but it also wants its money back. This is fine by Mrs. Greenwald so long as Congress, which created the bank, agrees. But two Congressional committees, bucking the President, have both provisionally voted to keep the bank in existence, moreover the General Accounting Office, the Government watchdog agency, has said that in its opinion the Administration cannot get the money back before Congress resolves the bank's status.

Under the law, Congress must act to rescind the bank's charter by next Monday. If it does not, Mrs. Greenwald says she will start lending money to consumer co-ops from the First Chicago account on Tuesday. The Treasury is furious; Budget Director David Stockman's blow-dried hair is awry, and Washington waits in awe for the clash of the Titans.

CONTENTS

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Spanish banks to restructure £85m steel debts

BY ROBERT GRAHAM IN MADRID

AGREEMENT has been reached with a group of six leading Spanish banks on the restructuring of Pta 16bn (£85m) of debts contracted by Altos Hornos de Vizcaya (AHV), the sole privately owned integrated steel company of the three operating in Spain.

In addition, the banks have agreed to loans worth £125m. The agreement, which has taken over six months to negotiate, removes one further important obstacle towards restructuring the integrated steel sector.

Last month workers in the three plants — AHV, Altos Hornos de Mediterraneo (AHM) and Ensidesa — accepted by a substantial majority prior agreements on redundancies negotiated with trades union representatives.

Part of the restructuring plan, which has gone through various changes since first mooted at the end of 1977, is for the integrated workforce to be cut by 5,800 to 38,200. This is being done largely through premature retirement.

The principal unresolved difficulty concerns investment plans —specifically, which of the three companies will get the projected hot-rolled coils complex.

But the Government has also not resolved how the privately owned AHV, whose main shareholder is U.S. Steel with 27 per cent, will operate with the two state-run concerns. This would entail a state-subsidised private company competing against two subsidised state companies.

The delay in the agreement over AHV's debts was caused partly by differences among the six banks and partly by the banks attempting to resist arm-twisting by the Government.

The banks Pta 16bn exposure prior to the negotiations was as follows: Bilbao (Pta 4.4bn), Vizcaya (Pta 4.4bn), Urquijo (Pta 2.2bn), Hispano Americano (Pta 2.08bn), Central (Pta 2bn) and Banesto (Pta 0.8bn).

The principal point of disagreement among the banks was the approach to re-scheduling this debt. One suggestion put forward by Urquijo was that this debt be consolidated with a state guarantee over six years at 8 per cent.

Vizcaya proposed that the banks write off a portion of the debt (Pta 4.3bn) and reschedule the remainder at market rates. The bank felt this was a cleaner operation and also suited its own requirements as it is enjoying exceptional profits and its accounts would benefit from the loss write-down.

While some of the other banks accepted this was a cleaner solution, they were not all in the same position of financial strength.

Vizcaya has been allowed to go its own way and write off Pta 1.2bn, consolidating the remainder, while the other banks have consolidated their entire debt.

Honours even after Giscard—Mitterrand TV debate

BY ROBERT MAUTHNER IN PARIS

KING SOLOMON himself would find it difficult to decide who won the day after the much-publicised television debate between the two French presidential candidates—M. Valéry Giscard d'Estaing and M. François Mitterrand, his Socialist opponent.

The French Press, predictably, is divided into two clear political camps, and those newspapers who have retained their objectivity mostly remained sitting firmly on the fence. The debate, watched by an estimated 30m people, is generally considered to have been an essential element of the election campaign without, however, having thrown any new light on the candidates' policies or personalities.

"They came, they debated, but they did not conquer, was how a provincial newspaper,

President Giscard d'Estaing

Libération Champagne, summed up the proceedings. "It is doubtful whether Tuesday night's face-to-face encounter has modified the opinions of the supporters of either candidate."

This has not prevented commentators from analysing at length the points scored by the two candidates on this or that subject. M. Giscard d'Estaing, for instance, was generally considered to have won an early advantage in his aggressive questioning of M. Mitterrand on what the latter intended to do about forming a Government after the election.

The Socialist candidate's refusal to commit himself either way on Communist participation in his Government and his renewed undertaking to dissolve the National Assembly in the hope that the subsequent general election would return a left-wing majority, was fully exploited by M. Giscard d'Estaing.

But if the outgoing President was thus able to present a picture of a President either entirely dependent on Communist support or deprived of real power as the result of the election of a hostile parliament, M. Mitterrand got his own back when it came to discussing the economy and foreign affairs.

M. Mitterrand's emphasis on M. Giscard d'Estaing's failure to deal with rising unemployment is bound to pay dividends in the form of votes next Sunday, when the final ballot takes place. The only question is whether the problem of unemployment will weigh more heavily in the balance than fears of the consequences of M. Mitterrand's nationalisation programme or of a possible alliance between the Socialists and Communists.

M. François Mitterand

The debate has done nothing to clear up the crucial question of how the Communist electorate, which voted for M. Georges Marchais, or the Gaullist voters, who opted for M. Jacques Chirac in the first round, will behave in the final ballot.

It was significant, however, that the Communist Party newspaper L'Humanité yesterday expressed serious reservations about M. Mitterrand's attitude, in spite of the party central committee's appeal to Communist voters to support him following the first round.

Le Quotidien de Paris neatly summed up the situation in an article headlined "The one-legged." "According to Valéry Giscard d'Estaing, François Mitterrand can do nothing without the Communists. According to the Socialist candidate, the outgoing President is the prisoner of M. Chirac."

Wartime charge 'a fake,' French Minister says

BY DAVID WHITE IN PARIS

FRANCE'S Budget Minister, M. Maurice Papon, yesterday rejected as a "shameful fake" a report linking him with the deportation of Jews from occupied France to Nazi concentration camps between 1942 and 1944.

The report appears in the weekly newspaper Le Canard Enchaîné, which has stirred up a series of scandals about Government personalities, including the famous "Bokassa diamonds" affair involving President Giscard d'Estaing. It alleges that M. Papon, a member of the Gaullist RPR Party and a former Paris Prefect of Police, was in charge of Jewish affairs in the regional administration of Bordeaux in the 1940s.

The Minister, who was 32 when he was made secretary-general of the Bordeaux prefecture in 1942, said that the report was "an electoral manoeuvre."

Kosovo purge likely to continue

By Anthony Robinson

FURTHER resignations of senior Communist Party officials are expected in the Albanian-speaking Yugoslav province of Kosovo following the departure on Tuesday night of Mr. Mahmud Bakalli, the provincial party secretary.

Mr. Bakalli, a 45-year-old ethnic Albanian, played a leading role in overseeing the economic transformation of Kosovo, Yugoslavia's poorest region, over the past decade and also in the foundation of Pristina University. The university has become Yugoslavia's second largest

Riots which broke out on three occasions in Kosovo last month originated as student protest against conditions in the university. They broadened out to become tinged with Albanian nationalism

Mr. Bakalli and other local party leaders faced strong criticism for having allowed nationalistic tensions to rise without taking the necessary measures to defuse them.

Demands for a further purge of the party and local security forces are expected to be discussed today at a meeting of the central committee of the all-Yugoslav Communist Party in Belgrade.

POLAND'S ECONOMIC CRISIS

Reform group 'lacks freedom'

BY CHRISTOPHER BOBINSKI IN WARSAW

AN ECONOMIC adviser to Solidarity, Poland's independent trade union movement, has said that the committee working on economic reforms for the country is dominated by the Government. Thus, he says, it lacks the independence to propose appropriate measures.

Mr. Richard Bugaj, writing in the latest issue of Solidarity Weekly, calls for the establishment of an independent economic reform committee. Mr. Bugaj, who has observer status on the official committee which was set up last autumn, says: "It is a shadow of the economic administration which benefited from the system in force in 1970 and which it is now preparing to reform."

He says Solidarity should demand an independent committee. Such a suggestion may well be raised during a round of talks on economic issues which the union will be holding with a Government committee headed by Mr. Marian Krzak, the Finance Minister, later this month.

Another article in the weekly makes it clear that Solidarity's economic advisers appreciate the necessity of unpopular economic decisions, like price rises. But Mr. Waldemar Kuczynski, the author, makes the point that talks on such issues have not been forthcoming "because the union has serious doubts whether the authorities are ready to treat Solidarity as a constant element in the country's life."

Switzerland is prepared to reschedule SwFr 85m (£20m) of loans to Poland covered by its export guarantee scheme, Reuter reports from Bern. The Economy Ministry said the Government was ready to reschedule 90 per cent of loans expiring between May 1 and December 31. Its offer included principal, interest and any arrears.

Hardliner keeps grip on media

BY OUR WARSAW CORRESPONDENT

MR. STEFAN OLSZOWSKI, a hard-line member of the Polish party leadership, is to retain responsibility for the mass media despite widespread criticism inside the party of his handling of information policy.

The decision came at a Politburo meeting on Monday and shows that the support which Mr. Mikhail Suslow, the Soviet ideologist, so evidently displayed for Mr. Olszowski during a recent visit to Warsaw is strong enough to withstand the criticism inside the Polish party.

Responsibility for foreign relations has been handed to Mr. Jerzy Waszczuk, who is also responsible for cultural policy. This is contrary to earlier expectations that Mr. Olszowski would also get this job.

Poland's Parliament yesterday passed a law which will enable a private farmers' union to be registered officially. The Government has already promised that the union will be registered by Sunday.

Some progress has been made in talks between the Government and Solidarity on access to the media. The two sides are close to agreement on the amount of time the union is to be given on radio and television.

But the authorities are still resisting a union demand that programmes presenting the union's point of view should be made by an autonomous unit under union control.

Brussels sets 1985 target for end to steel subsidies

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission is preparing to answer the West German campaign for an early end to all national aids to European Community steel companies with a plan for an end-of-1985 deadline for leaving all steel producers to fend for themselves.

The Commission will delay a final proposal until it has gauged the reactions of member States at a meeting of Industry Ministers in Brussels next Tuesday. West Germany and Britain will almost certainly be looking for an earlier elimination of national subsidies, but others may still be reluctant to commit themselves to the precise timetable envisaged by the Commission.

The Italian and Belgian Governments, for example, have invested their poltical fortunes in restructuring programmes which may require national funding on a longer timescale. France is ready to embrace the idea of ending Government subsidies but is not yet prepared to adopt a timetable.

West Germany has been leaning hard on the Commission for a new code on national aids which would complement a Community-wide restructuring scheme and current attempts by the EEC's 15 largest steel producers to agree a voluntary system of production quotas linked to 15 per cent price rises.

Bonn's declared deadline for wiping out subsidies has been the end of 1984 but it may be ready to compromise if other member states appear ready to rally around the Commission's suggested 12-month delay.

OECD confident about £434m Turkish aid

BY JONATHAN CARR IN BONN

THE ORGANISATION of Economic Co-operation and Development (OECD) is confident that another special aid package for Turkey of about $1bn (£434m) can be arranged this year.

However, this sum seems unlikely to be decided at today's Turkish aid pledging conference in Paris, as West Germany has not settled on the size of its contribution.

This emerged yesterday following a visit earlier this week by an OECD group led by Mr. Emile van Lennep, the Secretary General, during which Turkish aid was among matters discussed.

Last year, the OECD countries produced $1.16bn to help finance Turkey's economic recovery programme — with the West Germans and the U.S. producing the two biggest contributions of $295m each. This year the Turks were hoping for more.

However, Bonn has run into serious difficulties, mainly through exceptional pressure on the federal budget because of the economic downturn, and partly through parliamentary unrest over the policy of Ankara's military leaders.

Bonn was originally intending to produce the same sum in D-Marks for the OECD action this year — DM 560m — which it did last year.

However, only DM 460m has been set aside in the Development Aid Ministry's budget for Turkey and it is unclear where the extra DM 100m might come from.

The Development Aid Minister is said to be unable to make savings elsewhere to help the Turks, and the Finance Ministry is opposed firmly to a further increase in government borrowing.

Even if DM 560m is raised, the fall of the D-Mark against the dollar since last year's pledging conference means that the West German contribution expressed in terms of the U.S. currency will be smaller than before.

This in turn means that another OECD country — which might be the U.S. — will have to make up the shortfall, if the $1bn expected by the OECD is finally to emerge.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

David Satter in Moscow explains why the ending of the American grain embargo will not solve Russia's food problems

Spectacular waste down on the Soviet collective farm

THE END of the U.S. grain embargo will probably help to stop the Soviet Union slaughtering livestock which it can no longer feed, but it will not solve Russia's food problems.

The embargo's effect was to aggravate the shortages of feed grain which followed two successive bad harvests, denying Russia the chance to buy abroad the feed grain it was unable to produce at home.

The lifting of the embargo, imposed after Soviet troops went into Afghanistan, will give the Soviet Union greater flexibility in making up its grain shortages. Western experts believe it will buy 2m to 5m tonnes of extra U.S. grain by the end of the year.

But the serious shortages of meat and dairy products, which have affected cities throughout the country, reportedly leading to industrial unrest, may persist for years. They were not caused by the embargo, but stem instead from the spectacular waste on Soviet collective farms.

The Soviet dependence on foreign grain has obscured the fact that collective farmers waste at least as much grain from inadequate drying, transport and storage, as well as from theft. Even in peak years, the Soviet Union has been obliged to import.

The Soviet Journal Questions of Economics said last year that feed grain losses due to improper handling may be as high as 20 to 30 per cent, or as much as 35m to 40m tonnes. Grain imports in the 1980/81 agricultural year were 35m tonnes.

Western agricultural experts believe that 28m tonnes of grain—15 per cent of last year's harvest — was lost between being cut by the combines and reaching the grain elevators, with sizeable other losses likely during subsequent transport.

In 1966-76, the Soviet Union made a major effort to improve agriculture. It invested Roubles 213bn (£133bn) in agriculture, or two-thirds of all the money invested in agriculture in the history of the Soviet state.

During those years things did get better. Soviet grain harvests increased by 40 per cent and agricultural labour productivity rose by 58 per cent. Agricultural production per capita grew by 25 per cent.

But waste on the collectives grew at the same time, with grain production costs rising by 45 per cent in 1970-77, while those for beef went up by 47 per cent, mutton by 60 per cent and wool by 70 per cent. The cost of honouring the Government's commitment to keep meat and milk prices down to 1962 levels rose to Roubles 30bn a year.

Mr. I. N. Buzdalov, an economist with the Institute of Economics of the Academy of Sciences, said recently in an unusually frank assessment that the massive investment in agriculture was unproductive because "profitability, efficiency and quality play virtually no role in the work of state and collective farms."

In 1970-77, while Soviet agriculture was receiving unprecedented support from the state, profitability in the collectives declined by 50 per cent.

It has long been assumed in the West that Soviet agricultural inefficiency is rooted in the collective farm system itself. Recent Soviet studies appear to confirm this.

Once the grain is harvested and stored, a collective farm animal is fed three to four times as much grain as its cousin on a farmer's private plot.

Combines arrayed for the harvest in the steppe lands near Rostov-on-Don, southern Russia.

Collective farmers are also said to lose 15 per cent of all mineral fertiliser in transport or storage and to use six to seven times as much seed as American farmers.

To improve production, and possibly to counter the embargo, the Soviet Government last year increased the incentives for collective farmers to grow private produce and tried to raise the collective farms' general output.

A government decree soon after the U.S. imposed the embargo removed limits on private ownership of livestock. Previously a collective farmer could own one cow and one sow, with their offspring, two hogs for fattening and 10 sheep or goats. These limits are now gone and the Press has published articles on the advantage of raising livestock under long-term contracts with state farms.

The Government is now also giving cash incentives to increase fodder reserves, the depletion of which has been the chief reason for the fall in milk production in the collectives.

But despite these actions food shortages will continue. These, in the light of events in Poland, are reportedly a cause of growing concern to the Soviet leaders.

All first-hand reports from the collectives describe how gross inefficiency stems from the collective farmers' indifference to their work, aggravated by chronic alcoholism and theft.

The prospects for this year's grain harvest have been hurt by an unseasonably cold April, but Western agricultural experts believe that, even with a good harvest, *the Soviet Union* will need to import 20m to 25m tonnes of grain to maintain herds at their present strength.

Russians have been eating less meat since 1977, when they consumed an average of 125 pounds each. Barring major reforms to give collective farmers some incentive for taking more care about their work, the official target for the late 1980s of 180 pounds of meat a year for every Soviet citizen is, by all the signs, many decades away.

U.S. makes new proposals on Greek bases

Athens—The U.S. has submitted new proposals in negotiations over the future status and operation of its military bases in Greece, according to Mr. Constantine Mitsotakis, the Greek Foreign Minister.

Speaking to reporters on his return from Rome where he met Mr. Alexander Haig, the U.S. Secretary of State, Mr. Mitsotakis said: "We made a step forward and the negotiations will be speeded up on the basis of new American proposals."

The negotiations concern the operation of four major U.S. bases—two in Attica and two in Crete—and several smaller military installations.

The talks are based on an agreement initialled in 1977 but never signed under which Greece would have received $700m in U.S. aid over four years in return for the bases.

The Greeks have said they now consider this amount inadequate and that a similar agreement between the U.S. and Turkey should be taken into consideration.

Reuter

DENMARK'S SLAUGHTERHOUSE STRIKE

Copenhagen goes to law to preserve labour harmony

BY HILARY BARNES IN COPENHAGEN

MANY GOVERNMENTS might envy the way in which the Danish administration and the Folketing (parliament) can end serious labour conflicts by making settlements legally binding, knowing that labour and management will respect the law and that work will duly be resumed.

The Danes have just done it again. A strike of slaughterhouse workers, which began on April 22 and paralysed shipments of bacon and meat—the country's most important exports—was ended when the Folketing passed a wage deal into law. There was some muttering and a few sporadic protests when workers went back to work yesterday morning, but within hours normal work was resumed.

This was by no means an isolated case. Government intervention has become increasingly frequent in recent years. Collective settlements were imposed on the private sector labour market in 1975, 1977 and 1979.

Intervention in disputes is invariably carried out by Social Democratic governments, for they can claim they are acting in the true interests of the workers and are usually under strong pressure from the non-Socialist opposition. In office, the non-Socialist parties stay out of the fray.

Private sector labour negotiations are highly centralised and are backed by a system of labour law, which is administered by the labour market organisations themselves. Labour relations are based on a "basic agreement," the first of which was concluded after a damaging four-month strike and lock-out in 1899. The agreement gave the two central organisations, the trade union confederation, known as the LO, and the employers' federation, the right to conclude collective agreements which are binding on all their members.

Mediator

Collective wage negotiations take place every two years. If the parties fail to agree, the negotiations are continued under the auspices of an official mediator. If the mediator fails, unions and management may give notice of a strike or lock-out, but the mediator has the power to postpone the conflict for 14 days if he believes there is still a chance of a settlement.

The same system applies to negotiations between individual union and management organisations and to public sector wage bargaining.

The mediation machinery means that in the great majority of cases the mediator has either put forward a compromise proposal or at least drafted a proposal.

In cases where the dispute is especially damaging, the mediator's proposal is almost an open invitation to the Government to step in and make the proposed settlement into law. Indeed, management or union tactics are sometimes dictated by an anxiety to prevent the mediator providing a formula which the Government could seize on as a means of ending a dispute, actual or potential.

Agreements are supervised through the labour court. This can fine both workers and employers for breaches of the terms of a collective agreement, such as a strike during, the period of an agreemnt.

Both the LO and the employers realise that frequent government intervention makes a farce of negotiations. After government intervention in the last three collective wage-*bargaining* sessions, the two sides agreed to de-centralise the 1981 negotiations. "Both organisations realised that it would be all over with free collective bargaining if the Government intervened for a fourth successive time," said Mr. Arne Lund, who until his retirement last year was *managing director of* the employers federation.

Agreements

The individual unions and employers were given the opportunity to conclude their own collective agreements this spring without the assistance of the LO or the employers' federation. Most of the major unions reached agreements in January or February. The printing workers and the slaughterhouse workers are the two main private sector unions which failed to conclude amicably.

The strike and lock-out of printing workers has closed most newspapers and magazines since March 27, but this is an inconvenience which the public can bear. The strike of slaughterhouse workers was too serious to be left to run its course.

The Danish system of labour relations has undoubtedly been successful in stabilising the labour market. Strikes are few and exporters are usually able to make deliveries on time. The labour law also encourages unions and managements to settle disputes before they ever reach the labour court.

The system has not been so successful in controlling wage inflation. Over the past 20 years, wages in Denmark have increased rather more than the European average, contributing to the country's chronic balance of payments deficit.

The employers claim that intervention by a Social Democratic Government helps the unions obtain bigger wage increases than they would do if the negotiations were left strictly to the labour market organisations themselves.

The chief 1981 settlements will provide for total wage increases, including wage drift and indexation increments, of 8-9 per cent this year and 9-10 per cent in 1982, according to most forecasters. This puts the settlements among the most moderate for 20 years.

Falldin reshuffles Cabinet as Palme demands poll

STOCKHOLM—Mr. Thornjörn Fälldin, Sweden's Prime Minister, yesterday reshuffled posts in his Cabinet amid calls from the opposition for new parliamentary elections. Eight Conservative Party Ministers in the coalition of Conservatives, Liberals and Centrists resigned on Monday after a dispute over income tax reform.

In a statement yesterday the Cabinet Office said seven Centrist, Liberal and non-aligned Ministers in the present coalition would take on the ministerial duties of the Conservatives who had left.

Mr. Fälldin is pondering three options: to resign, to call new elections, or to continue as leader with tacit Conservative support in Parliament.

Mr. Olof Palme, leader of Sweden's Social Democratic Party and former Prime Minister, has called for new elections. "The sooner Prime Minister Fälldin decides to call new elections, the better it will be for Sweden," Mr. Palme said. He suggested June 14 as a possible date for polling.

Mr. Palme's call has won wide support among MPs of the opposition Social Democratic and Communist Parties.

The Conservatives hold 73 seats, the Centrists 64 and the Liberals 38. The Social Democrats have 154 seats and the Communists 20. The Conservatives, under the leadership of Mr. Gösta Bohman, have given no clear indication about whether they will continue to support the coalition from outside the Cabinet.

Mr. Fälldin's difficulties were compounded yesterday when doctors at four of Sweden's main hospitals went on strike adding to the tens of thousands of workers already involved in industrial disputes.

About a hundred doctors involved in anaesthetics and X-ray duties at hospitals in Goteborg and three other major provincial cities called a three-day stoppage as part of a campaign to retain compensation for weekend and holiday work.

Similar action at five other hospitals next week has been called for by the doctors' union.

Agencies

Lords back EEC

A HOUSE OF LORDS committee has backed EEC plans to control hte use of asbestos as part of a compaign to reduce health risks, in a report published recently. Diseases *associated* with exposure to asbestos include asbestosis and lung cancer.

The Lords' European Communities supported the proposals to restrict the marketing and use of asbestos and to protect workers from the risks of exposure to asbestos.

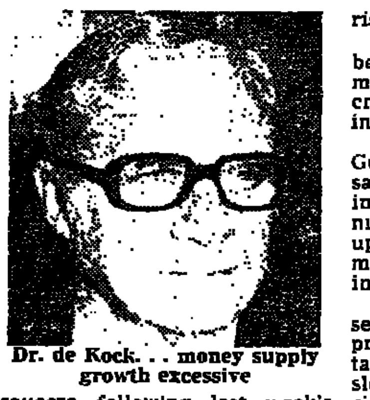
South African interest rate at 13%

BY QUENTIN PEEL IN JOHANNESBURG

COMMERCIAL BANKS in South Africa yesterday raised their prime overdraft rates to 13 per cent, a 1.5 per cent increase, and the fourth so far this year, after the South African Reserve Bank's announcement of an unprecedented 1.5 per cent increase in the bank rate.

The first banks to announce the move were the Standard Bank and Volkskas, with Barclays National Bank and Nedbank expected to follow suit immediately. The increase to 13 per cent means that the banks have taken advantage of the maximum 3.5 per cent margin they are allowed to charge over the bank rate, which was raised to 9.5 per cent, itself the highest level in recent years.

The moves are seen as the first step in the Government's expected anti-inflationary credit squeeze following last week's general election.



Dr. de Kock. . . money supply growth excessive

The only surprise for the banking sector was the size of the increase for both Government and Reserve Bank officials have made it clear in recent weeks that only the election held them back from encouraging further sharp interest rate rises in line with market trends.

The commercial banks had been warned to tell their customers not to expect unlimited credit at the prevailing rates of interest.

Dr. Gerhard de Kock, the Governor of the Reserve Bank, said in a statement that the increase reflected official recognition "of the recent further upward pressures exerted by market forces on short-term interest rates.

"At the same time it represents an essential part of the present anti-inflationary monetary policy, which is aimed at slowing down the present excessive rate of expansion of the money supply and reducing the pressure of excess demand," Dr. de Kock said. The money supply increased by 35 per cent in the 12 months to the end of March, he said.

The bank has also allowed the exchange rate of the Rand to drift steadily lower to yesterday's level of $1.21, its lowest point for more than a year, in line with fears of a rapidly vanishing balance of payments surplus.

Although the authorities have made it clear that their greatest concern is now the rate of inflation—running at an annual rate of 16 per cent—and the rate of increase of money supply, particularly bank credit, there is also concern that action should not be so drastic as to stifle the growth still left in the economy. After growing at 8 per cent in 1980, the increase in GDP is expected to fall to between 4 and 5 per cent this year.

However the Reserve Bank has been under considerable pressure from the commercial banks, whose deposit rates have been bid up to 15 per cent on one-year deposits by market forces, but whose overdraft rates have been held down by the link to the bank rate.

Israel will not wait for long, Begin warns

By Our Foreign Staff

There is a limit to how long Israel will wait for Syria to remove its surface-to-air missiles from Lebanon, Mr. Menahem Begin, the Prime Minister, warned in Jerusalem yesterday.

Mr. Begin confirmed that he had agreed to a request from President Ronald Reagan to allow the U.S. more time to find a diplomatic solution to the crisis. But in an interview with the afternoon newspaper Maarive he said that if Israel waited too long, then Syria might bring in more missiles "and our efforts to destroy them could harm our boys. This we want to prevent."

The U.S. and the Soviet Union have sent envoys to the region in an effort to find a negotiated settlement. The crisis blew up after Israel had shot down two Syrian helicopters and the Damascus regime responded by deploying Sam-6 missiles in the Bekaa valley in eastern Lebanon.

Israel has insisted that the missiles should be withdrawn and Mr. Begin said yesterday that the crisis, although grave, was not sufficiently serious for the Soviet Union to intervene and the U.S. to send its Sixth Fleet to the Middle East.

Syria is equally adamant that it will not take the missiles out of Lebanon and has moved further batteries closer to its border. Mr. Begin stressed yesterday that if those missiles came across the border "we will have to think what to do."

Mr. Philip Habib, the special U.S. envoy, is due to visit Beirut, Jerusalem and Damascus on what has been officially described as a fact-finding mission. Mr. Georgey Korniyenko, the Soviet first deputy Foreign Minister, will meanwhile be holding talks with President Hafez al-Assad of Syria and with Mr. Abdel-Halim Khaddam, the Foreign Minister, who returned yesterday from his latest round of talks with the warring factions in Beirut.

Mr. Khaddam said before leaving Beirut that the Israeli position on the missiles was "ridiculous" and merely masked Israel's determination to involve itself in Lebanon's internal affairs. He said there was no question of Syria removing the missiles.

Mr. Begin further claimed yesterday that the Christian militias in Lebanon had been on the point of bowing to Syrian pressure last week. "Our action changed the situation and their morale went sky-high. Now the Christians know we will not desert them," Mr. Begin said.

Israeli aircraft broke the sound barrier over Beirut yesterday morning and there were unconfirmed reports that they had also flown over the Bekaa valley but without drawing fire.

The official news agency in Damascus said that large-scale Syrian manoeuvres had been taking place at an undisclosed site.

Imported cars hold record 29% share of U.S. market

BY IAN HARGREAVES IN NEW YORK

IMPORTED CARS held on to their record 29 per cent share of the U.S. market in April as domestic manufacturers' sales weakened.

Overall, car sales were up by almost 1 per cent in April to just over 745,000 compared with April 1980, but sales of U.S.-built cars were down by 1.7 per cent.

The domestic industry's performance was affected by the gradual phasing out during April of a series of price-cutting promotions, with the result that sales in the final third of the month were sharply lower.

Because of the distortions caused by special promotions, the figures are of little use in assessing the general outlook for the economy, but they continue to provide a vivid picture of the "cat-and-mouse" game between the rival companies.

Of the domestic companies, Chrysler has made the most spectacular gains, having made the most spectacular promotions, increasing its share of the U.S. built market from 8.8 per cent in April 1980 to 13.6 per cent last month.

Ford has also edged up its market share from 21.1 per cent to 23.4 per cent. General Motors is down heavily from 64.4 per cent to 58.5 per cent, Volkswagen of America from 3.3 to 2.6 per cent and American Motors, controlled by Renault, from 2.4 per cent to 1.9 per cent.

GM's decline has been caused by larger and earlier price increases than its rivals and by a shortage of new products in the small car market, a position which will be rectified from next week when the company launches its J-car.

But in the near term, the prospects are not bright for the U.S. manufacturers. The recent agreement on export restraint by the Japanese, although of minimal quantitative significance, will probably stimulate sales of Japanese models because of fears of a shortage later in the year.

Among the importers, the strongest performances this year have come so far from Honda, Mazda, Subaru, Volvo and Renault. Toyota and Nissan still hold the number one and number two positions among the importers. But Toyota's sales have been level in the first four months compared with the same period last year, and Nissan's are down.

Indian plan hit by inflation

By K. K. Sharma in New Delhi

INDIA'S SIXTH five-year plan for the period 1980-85, presented to Parliament yesterday, envisages a total investment of Rs 1.587bn (about £90bn), of which the public sector's share is Rs 975bn (£55bn).

The plan has been published nearly a year after it started to go into action on April 1, 1980, and already the signs are that it is obsolete. Inflation has reached 15 per cent in fiscal 1980-81 and hence annual costs for most projects must have risen by at least this much.

The plan envisages financing by domestic savings at Rs 1,496bn at 1979-80 prices and the net inflow of funds from abroad is put at Rs 90bn in aid and commercial borrowings. Thus nearly 10 per cent of the public sector outlay is to be financed from foreign funds: the Government has abandoned the goal of self-reliance.

In comparison with the fifth plan, the outlay for the sixth plan is said to represent an increase by nearly 148 per cent in nominal terms and nearly 80 per cent in real terms.

The plan aims at a growth rate of 5.2 per cent annually in gross domestic product (GDP), an ambitious target as the growth rate in the past three decades is about 3.5 per cent annually.

The strategy adopted for the plan involves strengthening the infrastructure for industry and agriculture so as to create conditions for accelerated growth in investment, output and exports.

Energy gets the largest share of the investment at Rs 265bn, of which power generation gets Rs 192bn and petroleum Rs 43bn. The second largest share goes to industry at Rs 12bn while irrigation and flood control get just under Rs 12bn. Agriculture is allotted Rs 56bn.

The plan is already in jeopardy as the States have not lived up to their promises to raise additional resources. The Planning Commission indicated last week that unless the States did this, it might be forced to trim the plan.

AP reports from New Delhi: Indian army troops were placed on alert yesterday in the southern city of Bangalore after workers from Government-owned factories fought street battles with local police, the United News of India reported.

Police fired teargas shells at the mobs and also beat rioters with cane clubs in efforts to disperse them. No casualties were mentioned.

James Buxton on the balance of power in the Horn

Ethiopia reasserts control

AT FIRST sight the Horn of Africa, desperately poor but strategically placed at the entrance to the Red Sea, looks as explosive as ever. The furious war of rhetoric between Ethiopia and Somalia goes on and super-power rivalry has been intensified now that the Soviet military backing of Ethiopia has been matched by the U.S. acquisition of military facilities in Somalia.

In reality, however, the balance of forces in the Horn has changed dramatically in the past year. Ethiopia appears to have got on top in the two crucial areas of conflict: the Ogaden region of south-eastern Ethiopia, a mainly arid area largely inhabited in normal times by Somali nomads, and its northern province of Eritrea, which has been fighting to secede from Ethiopia since 1962.

A year ago Somali regular troops were operating in large numbers in the Ogaden, not just in support of the guerrillas of the Western Somalia Liberation Front, but in separate operations against the Ethiopian and Cuban troops there.

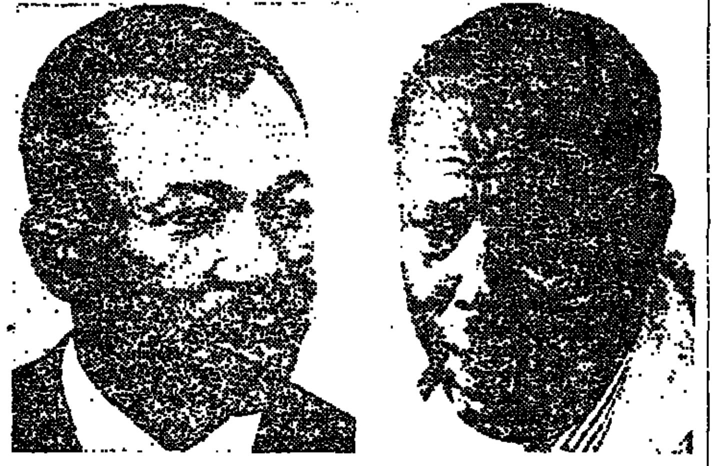
But by the end of last year the Ethiopians, without, it is said, direct assistance from the 13,000 Cubans still in Ethiopia, reasserted effective control over the whole of the Ogaden. The Somalis finally withdraw their last regular troops at the beginning of this year, leaving the guerrillas badly weakened.

In Eritrea, a kind of stalemate has existed for at least a year, with the two main guerrilla movements confined to the northern enclave of the province: An agreement last November between Lt.-Col. Mengistu Haile-Mariam, the Ethiopian head of state, and President Jaafar Nimairi of Sudan appears to be restricting supplies to the Eritrean guerrillas from Sudanese territory.

Despite heavy guerrilla fighting in Tigre province, just south of Eritrea, the position of the central government in Ethiopia still looks stronger than it has since the 1974 revolution, as does the position of Col. Mengistu himself.

The same cannot be said for the once Marxist regime in Somalia of President Siad Barre, who has held power since 1969.

President Siad Barre's regime has been under pressure ever since Somalia's defeat by Ethiopian and Cuban troops in the Ogaden of 1978. The defeat, combined with economic misery, the harsh nature of the regime and the belief that Siad Barre favours his own tribal clan against the others has led to the formation of three opposition movements. One of them, the



Antagonists across the Ogaden: Lt.-Col. Mengistu Haile Mariam, Ethiopian Head of State (above left) and Maj.-Gen. Mohammed Siad Barre, President of Somalia.

Ethiopia-based Somali Salvation Front, has staged guerrilla raids into Somalia.

Even the agreement with the U.S., under which Washington will use military facilities at Berbera on the Gulf of Aden, has yielded much less to Somalia than Siad had hoped. He asked initially for $2bn worth of aid; he is getting $40m worth of military credits, to be used on "non-offensive" weapons. The U.S. insisted Somalia pulled its troops out of the Ogaden before the aid was released.

But the U.S. presence in Somalia does complete the reversal of super-power roles that has occurred since 1977, when the Americans were thrown out of Ethiopia and the Russians ejected from Somalia. The only way the Horn could cease to be an area of super-power rivalry would be to resolve the conflict between the two African countries.

This is what inspired Sig. Emilio Colombo, the Italian Foreign Minister last month, to become the first western foreign minister to visit Addis Ababa since the revolution. He met Col. Mengistu and agreed to step up aid to Ethiopia to the same level Italy gave to Somalia last year.

While Ethiopia feels a debt of gratitude to the Soviet Union for its military help in the wars (and owes it about $2bn for arms) it has in the past avoided being tied to either power bloc. Two of the seven men in Mengistu's executive committee of the ruling military council or Derg are pro-Soviet hardliners, but the remainder, including Col. Mengistu himself, are considered to be halfway between Marxism and nationalism. If Ethiopia has many of the practices of a Marxist state, it has not gone as fast as the Soviet Union would like in establishing its long heralded Ethiopian Communist Party.

But in any resolution of the conflict between Ethiopia and Somalia, it is Somalia that would have to compromise more. Ethiopia can claim to have been defending its territory while Somalia would have to drop the principle enshrined in the Somali constitution that the people of the Ogaden should be allowed self-determination.

That principle may have moral justification — the unrealistic ex-colonial border between the two countries divides the Somali people—but is unacceptable to Ethiopia.

Yet there are signs that even in Somalia, a war weary population, conscious of Ethiopia's overwhelming military strength and fearful of outright invasion, believes the time may have come to compromise. The question is whether Siad Barre can be persuaded that it is in his interests to do so: his enemies could use a concession on the Ogaden to his disadvantage. Sig. Colombo is adept at reconciling the irreconcilable, but was warned by Ethiopia that the deeply felt antagonisms of the Horn of Africa could take a long time to overcome. Even so, Col. Mengistu is believed to have told him: "Nothing is unchangeable."

Air New Zealand names new chief

THE AIR New Zealand board of directors yesterday named Mr. John Wisdom, deputy chief executive, as the chief executive to succeed Mr. Morrie Davis, who resigned two days ago, Reuter reports from Auckland. Mr. Davis stepped down after a Royal Commission inquiry blamed administrative blunders for the Antarctic aircraft crash 18 months ago in which 257 died.

Conrail plan to defer wage rise

BY PAUL TAYLOR IN NEW YORK

RAIL UNION leaders and management yesterday agreed to defer almost $230m a year in future wage increases in an attempt to turn the Consolidated Rail Corporation (Conrail) into a viable company and head off the Reagan Administration's plans to break it up and sell it to the private sector.

Under the agreement, which is subject to approval by members of Conrail's 14 unions, union members would give up about $200m a year in future wage increases, and white-collar staff would give up between $28m and $29m a year in salary increases. Conrail at present employs about 70,000 workers and has an annual pay bill of about $2bn.

The agreement comes two days after Conrail announced a $65.9m loss for the first quarter of the year. This was a $29.5m improvement over the same period last year, and the best first-quarter result since the company was formed out of Penn Central five years ago.

The federally-owned 17,000-mile rail system serving the North-East and Mid-West has absorbed $3.3bn since 1976 and recorded the improved first-quarter results on turnover up $40m at $1.02bn.

Coal traffic, which forms about 20 per cent of the railway's freight loadings, increased by 10.8 per cent during the first quarter against an overall decline in freight carried of 6.6 per cent.

However Conrail has warned that the second-quarter results are likely to be worse, because of the impact of the strike by 160,000 East and Mid-West coal-miners which is now in its sixth week.

The agreement with the rail union leaders could provide extra breathing space for the company during the Administration's current review of Conrail's future.

In March, the Reagan Administration said that Conrail should be split up and sold to other railway companies. Union leaders believe that such a sale in the present circumstances could involve the loss of up to 40,000 jobs.

Cities face opposition to rent-control schemes

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

MANY U.S. cities could be faced with the painful choice of foregoing Federal housing funds or abandoning rent control programmes if the full Congress goes along with the recommendation of the Senate Banking Committee.

About 200 cities, most notably New York and Washington, at present have in force either rent control or stabilisation schemes, designed principally to protect the poor from unbearable rents at a time of a general shortage of property for rent.

Critics of controls, now the dominant voices in both the Administration and Congress, contend that these have been the prime cause of the shortage and that countless landlords have let property run down because controls do not permit a reasonable return.

The leader of the push to end controls in the committee was Senator Alphonse d'Amato, the "Freshman" Republican from New York, who was promptly denounced by Mayor Ed Koch of New York City for his role.

The cities generally are fighting a rearguard action against the Budget-cutting initiatives of the Administration and conservatives in Congress.

As it stands, the Administration wants substantial cuts in Federal aid to housing in any case—and the committee has gone along with most of what the President had proposed.

Figueiredo under pressure after bomb incident

BY RIK TURNER IN SAO PAULO

THE BRAZILIAN Government of President Joao Figueiredo is under pressure to put an end to the public controversy caused by the bomb explosion in Rio de Janeiro on April 30 which killed one soldier and severely wounded another.

The bomb exploded in the car park of the Riocentro theatre, where 20,000 people were watching a show commemorating Labour Day. The show was organised by the Centro Brasileiro Democratico, linked to the clandestine Brazilian Communist Party.

According to Gen. Gentil Marcondes, commander of the 1st Army in Rio, the soldiers—a captain and a sergeant—were at the Riocentro "on a mission collecting information," and were 'victims of an attack."

But there have also been suggestions that they were planting the bomb when it exploded in their car.

Other incidents have increased the tension in the country. In Sao Paulo, a student was shot during a demonstration, and two newstands were blown up

Mormons oppose MX siting

By David Buchan in Washington

THE MORMON Church has come out in formal opposition to the new MX nuclear missile system being placed in the western desert of Utah and Nevada which had been chosen by the Church's pioneers as "a base from which to carry the Gospel of peace to the peoples of the earth".

This most unusual stand from an organisation that normally takes a conservative and security-minded side on public issues could spell the end of the plan proposed by the Carter Administration to base the multi-billion-dollar system in the western desert.

The statement by Mr. Spencer Kimball, the Church's President, was sent to the White House and the Utah and Nevada Congressional delegations, late on Tuesday.

Mr. Caspar Weinberger, the Defence Secretary, said the MX was essential to restore strategic balance with the Soviet Union, but the Administration had a committee due to recommend any alternative ways of basing the system by mid-summer.

The Reagan Administration has already had misgivings about the MX plan proposed by Mr. Carter. This involves rotating 210 missiles with multiple warheads around some 4,600 shelters in Utah and Nevada, with the purpose of making a knock-out strike difficult or impossible for Soviet targeters.

Options being considered are to put them in New Mexico and Texas, or at sea in submarines.

Chile to try Argentinian officers

By Hugh O'Shaughnessy

THE ARGENTINIAN Government of General Roberto Viola is expected to react angrily to the news that Chile is to try the two Argentinian officers detained with their wives in the frontier town of Los Andes on April 25.

The Chilean military prosecutor said that the two, Major Raul Barileau and Lt. Oscar Santos, would be charged with spying. According to the Chileans, the two, who had previously made several trips to Chile, had photographs of Chilean military installations in their possession.

Chile's chief military prosecutor has announced there is a "mass of evidence" against the two officers. Chile has rejected an Argentine protest.

The Chilean action in putting the two on trial is widely seen as a distinct hardening of attitude by Gen. Pinochet, the Chilean leader —perhaps prompted by Argentina's unwillingness to accept the suggestion of Pope John-Paul II for a peaceful solution to the Beagle problem.

The judicial procedure is certain to spotligh and concentrate popular attention on the differences between the two countries.

THE CHILE-ARGENTINA DISPUTE

Thunder over the Beagle Channel

Argentina's military Government under Lt.-Gen. Roberto Viola, left, has closed its border with Chile in the most serious confrontation between the two countries since 1978, as Mary Helen Spooner reports from Santiago.

South America's longest common frontier has been closed for a week, and two of the continent's most powerful military governments are rattling sabres over a long-standing territorial dispute over the Beagle Channel. The conflict brought them to the brink of war in 1978. On April 29, Argentina closed its 2,600-mile border with Chile "for an indefinite period" after the Santiago authorities had arrested two Argentinian officials in its territory on espionage charges.

The Argentinian Government, led by Lt.-Gen. Roberto Viola, has demanded the release of the two men. Gen. Augusto Pinochet's régime in Chile has refused, citing evidence to support the espionage charges and remarking that a number of Chilean citizens are in prison in Argentina on similar charges. A long-awaited peace proposal by the Vatican was presented to the two countries in December. Chile has accepted the peace plan. Argentina has not.

As is the case with most disputed areas in South America, the territory involved is sparsely populated and remote. The Beagle Channel separates the island of Tierea del Fuego and three tiny islands—Lennox, Picton, and Nueva — to the south. Control of these islands is under dispute.

But the economic and political stakes are much higher. They involve control not only of the sea passage between the south Atlantic and the south Pacific, but over probable oil and mineral reserves and even the riches of the Antarctic.

The Beagle Channel dispute is perhaps the most serious territorial conflict in South America and many fear that war between Chile and Argentina would ignite a series of territorial wars around the continent.

Many of South America's border disputes have their origins in the arbitrary boundaries drawn up by distant colonial rulers.

Such conflicts have often been exploited by heads of state facing domestic problems, who find that a real or imagined threat to the country's external security prompts a strong showing of support for the Government. In many cases, possession of the disputed territory would yield no immediate benefits.

In the case of the Beagle Channel, however, both countries have been drilling for oil near the disputed islands since 1977. There is also speculation that the freezing waters south of Tierra-del-Fuego may cover as much oil as those of the North Sea.

There has also been periodic talk of a south Atlantic treaty alliance between South Africa, Argentina, Uruguay, Brazil and the United States. Chile would like to participate and possession of the islands would give Santiago control over the passage from the south Atlantic to the south Pacific. This would elevate Chile to the status of necessary partner in any attempt to control the region.

But the present focus of attention in the dispute lies along the mountainous border between the two countries. Argentina launched military manoeuvres along the frontier, Chile has turned over the two alleged Argentinian spies to a military court. The border has nearly four hundred passes, many of which are only loosely guarded.

Both countries have insisted in public that war would be devastating. But the Argentinian decision to shut down the frontier marks the tensest moment in the dispute since December 1978, when there were fears that Argentina's armed forces were preparing to occupy one of the three disputed islands. While the citizens of both countries have shown little interest in territorial claims, and have often made public demonstrations calling for peace and reconciliation, their respective military regimes have other ideas.

THE MAIN DISPUTES

A) Beagle Channel: Chile/Argentina

B) Pacific corridor: Bolivia/Peru

C) Amazon corridor: Ecuador/Peru

D) Gulf of Venezuela: Venezuela/Colombia

E) Disputed Zone: Venezuela/Guyana

A continent riven by border quarrels

BY OUR SANTIAGO CORRESPONDENT

THE BEAGLE Channel dispute between Chile and Argentina is only one of several quarrels over frontiers in South America, many of them stretching back to the colonial era. To the north, Chile also has unresolved border problems with Peru and Bolivia, Peru with Ecuador and Venezuela with both Colombia and Guyana.

Bolivia has especially suffered from loss of territory to its neighbours and has never dropped its quixotic quest to regain its 19th-century outlet to the sea. In 1978, Bolivia and Chile were thought to be near an agreement whereby Chile would provide a narrow corridor to the Pacific in exchange for some of Bolivia's inland territory. But Peru objected because the sea corridor would be taken from territory it once owned. Bolivia broke relations with Chile, and Peru and Chile have only this year agreed to exchange embassadors.

Further north, Peru has border disputes with Ecuador. In January the two countries went to war for the third time since they achieved independence in the 1820s. The disputed territory is a Peruvian-held strip of land separating Ecuador from the Amazon River. Ecuador strongly believes that it "was, is and always shall be an Amazon country"—that is, with access to the Amazon river system—

Venezuela has serious conflicts with Colombia to its west and with Guyana to its east. The issue of marine boundaries in the Gulf of Venezuela, which contains rich oil deposits, has been hotley debated in Colombia and Venezuela for years.

A more subdued conflict hinges on Venezuela's claim to two-thirds of Guyana's territory. A 150-year-old treaty assigned the land to Venezuela, but international arbitration subsequently awarded it to what was then known as British Guiana.

The issue appeared to arouse little public interest in Venezuela until the mass suicide of adherents of the People's Temple occurred in the heart of the disputed territory in 1978. The international publicity seemed to cement Guyana's claim to the territory, much to Venezuela's chagrin. Talks on the matter are scheduled to reopen next year.

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WORLD TRADE NEWS

Rhys David reports on a major power station order from Kuwait

UK concern in £8m deal

H. H. ROBERTSON took in its biggest export order worth £8m last month for the supply from its Ellesmere Port factory of 100,000 square metres of metal external cladding for the Doha West power station in Kuwait, the largest generating facility in the Middle East.

It is not just size, however, which makes this one of the more significant contracts the industrial building products group has gained.

Whereas much of its work has traditionally come through British consulting engineers and contractors, Robertson is, on this occasion, co-operating with Lahmeyer International, Frankfurt-based consultants, and with the Korean structural contractor Daelim — an indication of the current international competitiveness of the Middle East building market.

This is augmented by a shift in business away from Europe and to Far Eastern concerns. This shift has had a number of consequences for the suppliers of sophisticated components such as Robertson. First, as Mr. John Woodford, Robertson's export marketing manager, points out, it becomes much more difficult to tie up deals when a number of international partners are involved.

"Negotiations for the Doha contract took place in London, Kuwait and Korea," he observes.

Second, though British—and other European—consultants are well-established in the Middle East and are likely to prefer to specify products they know, their dominance is also likely to come under challenge, as the new Far East suppliers develop their own consultancy services and move into specialist products themselves.

As Mr. Geoff Antrobus, Robertson's export general manager adds, the consultant will specify the best to protect his reputation, but the contractor is more likely to be looking for ways of cutting costs, and may try to persuade the consultant to agree to a lower specification.

Robertson's way of countering this has been time-consuming but ultimately vital visits to talk to clients and contractors. Much of this has to be done out of the UK, but the group has also been building up its direct involvement in the area as well through joint venture schemes with local groups in the United Arab Emirates and Saudi Arabia. Through its representation on the ground the company, unlike some of its competitors, is also able to offer complete installation services for its cladding.

"We can fix the materials for the customer or make supre it is put up to our standards," Mr Antrobus points out.

However, Robertson executives recognise that the only sure way of staying ahead is by having better products. Basic research for this purpose is carried out by Robertson's parent company in Pittsburgh in the U.S., and this is backed by work done at Ellesmere Port in the group's European technical centre.

The main effort continues to be directed towards achieving plastic and other finishes for steel which will give maintenance-free life in extreme climatic conditions. In the Middle East, Africa and India—International areas allocated by Pittsburgh to the UK operation — the range is likely to include attack by wind-driven sand, scorching sun, high ultra-violet light, high salinity, acidic rain, and industrial pollution, to name a few.

The UK company has also been responsible for coming up with computer-designed ventilation systems — one of a group of accessories Robertson has developed to complement its basic cladding technology.

With the UK building industry depressed, export markets and in particular the Middle East, will continue to be the main target for the new and improved products Robertson has been bringing out. Total sales by the UK company are running around £50m per year —50 per cent exported. Out of overall group sales of $550m worldwide. In the Middle East itself Saudi Arabia is the top market followed by Iraq, Libya, the UAE, Algeria and Kuwait.

The Middle East construction boom is now largely over, Robertson executives believe, though there are hopes the current level of building will be maintained.

The type of project is at the same time changing with work on basic infrastructure, such as ports and power stations, being replaced by industrial buildings to house the region's growing investment in manufacturing and public facilities.

Apart from Doha other recent cladding contracts include a potash plant in Aqaba, water supply and treatment plants at various locations in Saudi Arabia, and a medical stores in Libya.

Robertson is looking for the next boom area and is still unsure where it will come from.

One potentially rich market that is already being tapped is Nigeria where a joint venture has been established that will enable Robertson to offer local duty-free products to local or overseas groups undertaking projects in Nigeria, giving the company, it is hoped, a strong competitive edge. Egypt is a long-term possibility for a similar type of operation.

Nigeria presses on with new capital plan

By Mark Webster

NIGERIA is pressing ahead with its multi-billion pound project for building a new capital at Abuja in the centre of the country. About £1.9bn (Naira 2.5bn) has been set aside for the capital in the 1981-85 development plan.

The construction of the new capital is one of the first priorities of the civilian government and will be the subject of a conference today at the London Chamber of Commerce and Industry. British businessmen believe the capital development offers tremendous opportunities for British companies.

The master plan for the capital was approved in 1979 and envisages a population of 1.6m by the year 2000 eventually growing to more than 3m. The development plan says that the first government officials will move to the capital in 1982-83.

The Milton Keynes Development Corporation has been appointed consultant for the so-called Accelerated Area which is one of the first residential parts of the city to be built. Mr. John Napleton, the development corporation's project director is due to address the conference in London.

The development plan says that to make it possible for government officials to start moving to Abuja in 1982, some 5,000 houses will have to be built. In all, 13,000 should be constructed by the end of the plan period.

The London Chamber of Commerce has also announced a major trade and investment mission to Nigeria this October, sponsored by itself and the Nigerian-British Chamber of Commerce.

The British Overseas Trade Board will make a contribution to the cost of the trip which will start on Ocober 10 with four days in Lagos, followed by three days in Kano.

UK groups poised for big Egyptian contracts

BY PAUL CHEESERIGHT

FIRST ORDERS for British goods and services to be used in the early stages of the Greater Cairo Wastewater project will be placed this summer following the signing yesterday of an Anglo-Egyptian aid and finance agreement.

The agreement provides Export Credits Guarantee Department cover for a £100m line of credit organised by the Midland Bank and Samuel Montagu, and confirms the provision to Egypt of £50m of official aid funds.

The Egyptian Government, for its part, will reserve to British companies the right to tender for all work, up to the value of £150m, needed on the east bank of the Nile for the new Cairo sewerage and water treatment system.

The line of credit is being extended for 10 years at a rate of 7.75 per cent, in line with the international consensus on officially supported export credit. But this may be the first of several deals.

Total work on the east bank part of the project may come to as much as £1.5bn by the year 2000. Priority projects for the whole of the Cairo scheme were estimated in 1979 to cost $600m (£275m).

The British effort has been concentrated on the eastern part of the project. The U.S. is providing aid funds for the western side, where work is less advanced. But a joint U.S.-UK consultancy team has drawn up a master plan for the whole project.

The signing of the agreements bring to an end the initial planning and marketing undertaken by British Wastewater, a consortium established to co-ordinate the successful British bid to win the initial contracts.

British Wastewater is made up of Ames Crosta Babcock, a unit of Babcock Contractors, Midland Bank Group, GEC Electrical Projects, Edmund Nuttall and Balfour Beatty Construction, part of the BICC group.

The group acted as the catalyst in fusing the private and public sectors on both sides and drawing out of the official financial commitments. The Egyptian Government has budgeted E£1.3bn (£900m) for the whole project's local currency costs and E£580m for the east bank work alone.

British Wastewater will be seeking to induce the General Organisation for Sewerage and Sanitary Drainage in Cairo to place all the main orders for the immediate east bank work by summer 1982. British companies winning the contracts will work in joint ventures with Egyptian groups.

Pulp likely to rise $50 a tonne

BY WILLIAM HALL IN STOCKHOLM

THE PRICE of market pulp, the main raw material for the world paper industry, is expected to rise by about $50 a tonne to close to $600 a tonne before the end of the year.

The cif price of bleached kraft (market pulp) was raised to $545 a tonne in the first quarter of 1980.

Delegates at a management symposium in Stockholm organised by the Swedish Pulp and Paper Association believe that the price of market pulp will be raised in either the third or fourth quarter of this year.

The price of market pulp is a key indicator to the health of the world paper industry, and the belief that the price will be raised later this year indicates that the recession in the world paper industry has not been as severe as once feared.

North America and Scandinavia dominate the supply of market pulp, and t heir deliveries rose by 3 per cent to 15.7m tonnes in 1980.

Stocks of market pulp have not risen noticably and there are fears that there could be a substantial shortage of market pulp once the recession is over.

The vast majority of the world paper and board production comes from integrated mills which make their own pulp. However, non-integrated mills in countries such as the UK rely on market pulp plus waste paper for their raw material.

There has been little investment in new market pulp capacity in recent years, and many paper makers without pulp mills are becoming increasingly concerned about the possibility of serious shortages in the next few years.

Dr. Jaakko Poyry, head of a Finnish consulting concern, told delegates at the symposium that market pulp prices needed to rise to at least $650 a tonne to justify investment in new capacity.

He forecast that during the 1980s market pulp prices would rise by an average of 10 to 15 per cent a year. He said there would be a "sellers market" for the pul pmills for a major part of the 1980s.

There was a shortfall of 1.6m tonnes of market pulp in Europe in 1979 and this is expected to increase to not less than 2.8m tonnes by 1990.

EEC stands firm on textiles

BY LARRY KLINGER IN BRUSSELS

THE EUROPEAN Commission will make clear today that the Third World cannot expect to increase its overall imports to the EEC of low-cost textiles, a move that threatens to become enbroiled in the growing tensions between the industrialised West and the developing countries.

The Commission's preliminary proposals for a new five-year Multifibre Arrangement (MFA), which will be put forward at the Textiles Committee meeting of the General Agreement on Tariffs and Trade in Geneva today and tomorrow, envisages cutting the allowed 6 per cent growth rate in overall imports, and making further quota distinctions between countries to reflect their level of development.

Of particular concern are the big exporting countries "on the threshold of real industrialisation" such as South Korea, Taiwan and Hong Kong.

Despite fears that this stand could damage European interests in the Third World—especially during the forthcoming North-South talks and Lome Convention discussions—Commission officials are well aware that most EEC member-countries are in no mood for further trade liberalisation in such sensitive areas as textiles.

Indeed, the member-countries' foreign and trade ministers will be under strong pressure to toughen he EEC position when they discuss the Commission's MFA negotiating mandate during the coming weeks.

According to official EEC figures, more than 700,000 jobs were lost in the European textile and clothing industries during 1973-79, and industry officials claim that a further 200,000 were lost during the past 18 months and that half of the remaining 4m jobs are endangered.

The MFA, which is the Gatt textile trade pact between developing producer countries and their industrialised consumers, expires at the end of this year. The Commission is proposing a five-year extension, along similar but tightened lines, while the developing countries reject this approach.

Zambia move on imports payments

LUSAKA—Zambia's Central Bank says it has suspended commercial banks' authority to approve applications for payments of imported goods in an effort to save foreign exchange.

The Bank of Zambia told commercial banks last week that all applications for letters of credit or other import payment instruments must pass through the Central Bank until further notice.

The bank also said commercial banks could not place such import instruments into Zambia's pipeline of overseas payments arrears without its approval.

A Central Bank official said yesterday that the moves were necessary because of a serious foreign exchange shortage.

Zambia's arrears stand at about $610m (£265m) against $360m last May, with a repayment time of between 23 and 24 months compared with 12 months a year ago.

Zambia is hoping to receive final IMF approval tomorrow for a three-year extended fund facility which banking sources here say will be in excess of $950m.

The Bank of Zambia official said the latest moves by the Bank to control import payments had nothing to do with the IMF loan.

Reuter

Kenya bank ruling revoked

By Our Corespondent in Nairobi

THE Central Bank of Nairobi has revoked a controversial ruling requiring all Kenya residents with assets outside the country to bring them back by the end of the year.

Pressure had been put on the Central Bank to revoke the ruling, as it was felt it would have undermined confidence in Kenya's economic policies. There had been no prior consultation and public discussion.

The notice, in effect, revoked the exemption from repatriation of foreign deposits, securities and other assets of value held by residents before June 11, 1965.

When exchange control was introduced, provision was made for residents who had money abroad to retain it abroad for their personal use. The funds were known as "exempt funds."

Tens of thousands of those residents are still living in Kenya.

Dutch win Libya deal

By Charles Batchelor in Amsterdam

HVA, the Dutch agro-Industrial group, has signed a second Fl 300m (£52m) deal with Libya to deliver and manage a milk products and poultry processing plant.

Work on the plant, which will be built at Tauorga, south of Misurata, will take over two years, while the management contracts, which partly overlaps the building period, will last for five years.

UK NEWS

Joseph still worried on level of regional aid

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT still has major reservations about the amount of State funds being spent on regional aid which totalled £566m in 1979-80. This was spelt out yesterday by Sir Keith Joseph, Industry Secretary, to a meeting of the National Economic Development Council.

"After spending large sums—for example some £5bn since 1971—the areas in greatest need in the 1930s remain the areas of greatest need now," he said.

But despite its reservations, the Government accepted that the "balance of advantage" lay in maintaining a policy of encouraging extra industrial development in the regions.

Strong social arguments for maintaining regional aid outweighed economic reservations, said Sir Keith. But the Government's offers of assistance could not, and should not induce a company to invest against its own commercial judgement.

Sir Keith's views were contained in a paper on regional policy which gave details of the Government's regional expenditure in the 1970s.

It showed that, at constant out-turn prices, expenditure rose sharply from £254m in 1972-73 to a peak of £717m in 1976-77. This fell to £507m in 1977-78, rising again to £628m in 1978-79 and falling to £566m in 1979-80.

From 1973 the expenditure was dominated by automatic regional development grants which accounted for £407m in 1976-77 and £330m in 1979-80. The next biggest items in 1979-80 were £82m spent by the Scottish and Welsh Development Agencies and £79m spent on selective financial assistance under section 7 of the 1972 Industry Act.

Showing some concern about the lack of firm evidence on the impact of regional policies, Sir Keith said the overall economic costs and benefits were not known although it was estimated that the regions may have gained 20,000 jobs a year in the late 1960s and 11,000 in the early 1970s.

But it was not known whether the industrial development certificate system, linked with regional assistance, had frustrated the creation of jobs and wealth in traditional growth areas such as London and the West Midlands.

"If this were the case, regional policy may have helped to emasculate the economy as a whole, thus damaging the very areas which are receiving regional aid."

A second paper presented to the meeting by the National Economic Development Office did not share these doubts to the same extent as Sir Keith and argued that regional policies had not been ineffective.

It acknowledged that the policies of the past 50 years may not have done enough to ease regional imbalances which were growing, rather than diminishing. Older industrial areas still suffered from adverse industrial structures.

For the future, the stimulation of fast growing industries, especially small businesses, appeared to be the "best way of redressing regional imbalances".

ICI reveals big losses in plastics division

By Sue Cameron, Chemicals Correspondent

IMPERIAL CHEMICAL Industries has revealed that it is still making heavy losses on its huge plastics operation.

The group, Britain's biggest manufacturing company, has warned staff that there will have to be further substantial cost reductions to restore profitability.

Last week ICI reported a £52m pre-tax profit for the first three months of this year — a dramatic improvement on the losses it made in the second half of 1980. But now the company has admitted that its plastics business continued to make substantial losses in the first quarter of 1981.

ICI blames the losses on the continued influence of the recession—particularly in the UK. It says sales volumes remained at an extremely low level. It managed to put up the prices of some of its plastics slightly but the rises were only sufficient to recover increases in raw material costs associated with oil price rises by the Organisation of Petroleum Exporting Countries.

In the latest edition of its Petrochemicals and Plastics News ICI says: "Even if a sustained improvement in sales volume begins to emerge, improvements in selling prices and further substantial cost reductions will be necessary to restore profitability."

The group has just merged its petrochemical and plastics divisions into a big new division, in an attempt to stem the losses which both businesses have been making.

Staff in the new division have been warned that they will be among those most affected by ICI's plans to cut more than 6,000 jobs this year.

The company shed more than 6,000 jobs last year and has warned staff that a similar or slightly larger number are to go in 1981. He says that rather less than half of those to be cut will be monthly paid jobs.

Boardroom authorisations for money to build new plants will be significantly less this year than the £324m sanctioned by ICI last year.

The group has already sanctioned and started work on 20 major new plants in various parts of the world. These include a £210m chlor alkali plant at Wilhelmshaven in West Germany, a £100m ethylene oxide and glycol complex in the U.S. and a £130m olefins plant in Australia.

In the UK, the group is spending £140m on a new chlor alkali plant at Wilton on Teesside, about £90m on a terephthalic acid plant, at Wilton and about £200m on ten other major British projects.

Car makers 'would fight move to ban lead content'

BRITAIN'S car manufacturers would not welcome any move to eliminate the use of lead as an additive in petrol.

This was made clear yesterday by Sir Bernard Scott, president of the Society of Motor Manufacturers and Traders, who said cars would cost more to produce, and to own, because they would use more fuel if the lead content was reduced or removed from petrol.

He said a report in 1978 suggested that the removal of lead from petrol would add £4 to £6 to the cost of a car, add 4p to a gallon of petrol and £16 a year to the cost of running a car.

Sir Bernard, at the society's annual meeting in London, also gave examples of how Government action, or failure to take action, was hindering the recovery of the motor industry.

They included: Britain having the highest fuel taxes in Europe and the motor industry bearing a special 10 per cent tax on its products as well as VAT.

Britain produces oil surplus

By Martin Dickson, Energy Correspondent

RISING North Sea oil output and falling UK consumption meant that Britain produced about 10 per cent more oil in the first quarter of this year than it needed for self-sufficiency.

Oil production in the January-March period totalled 21.9m tonnes — 1.5m tonnes or 7.4 per cent more than in the same quarter of 1980, according to latest Department of Energy figures.

However, consumption of oil products continued to fall. The country used 19.9m tonnes in the first quarter — 3.3m tonnes or 14.3 per cent less than in 1980.

Even petrol, the only oil product to show any signs of growth in recent months, suffered a decline in demand. Deliveries fell 2.5 per cent compared with the first quarter of last year.

Britain used 8.6 per cent less energy in the first three months of the year than in the same period of 1980, with coal consumption down 8.8 per cent and natural gas use down 3.1 per cent.

The drop is largely due to the recession but may partly reflect conservation efforts.

● Britain has won an order worth more than £10m to supply 200,000 tonnes of blast-furnace coke to steelworks in Romania this year.

Hyundai to sell cars in Britain

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

HYUNDAI of South Korea will start selling its cars in Britain at the end of this year.

The company is currently having discussions with several potential distributors and expects to complete its arrangements next month.

Hyundai, one of the youngest car makers in the world which began production only in 1968, will start by selling its Pony model in Britain.

It hopes to have about 5,000 cars registered in 1981 to prepare the gorund for a new model which is expected to come into production in Korea next spring.

Like the Pony, the new vehicle was designed in Italy by Giorgetto Guigiaro of Ital Design and will use engines and gearboxes from Mitsubishi of Japan. But it will have front-wheel-drive instead of an engine at the front driving the rear wheels as is the case with the Pony.

Hyundai expects to be able to build up sales to about 10,000 a year in the UK once the new model is introduced in Britain, probably in 1983.

Hyundai is the latest overseas producer to be attracted to the UK, which has relatively high car prices compared with the rest of Europe.

The Romanian-built Dacia is due to go on sale in October or November.

And yesterday the first Zastava cars from Yugoslavia to be sold in Britain took to the road. The two Yugoslav hatchbacks, versions of the Fiat 128, are priced at £2,499 and £2,749 which makes them among the cheapest family cars available.

Bridge safety warning on lorry weights proposal

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

THE PROPOSAL in the Armitage Report to increase maximum permitted lorry weighs by 35 per cent to 44 tonnes may put many of Britain's bridges "near the margin of safety," Mr. Roy Lane, deputy county surveyor for Hampshire, told a recent meeting of the Institute of Civil Engineers.

The Armitage inquiry into lorries, people and the environment concluded it was "beyond question" that heavier lorries offered large and continuing economic benefits.

But Mr. Lane, according to the Institution's journal, called for heavier lorries and axle weights to be delayed until Britain's 155,000 bridges and structures supporting public roads, had all been re-assessed.

Sir Arthur Armitage, the chairman of the inquiry into lorries, said in his report that increases in lorry weights would have to stop at 44 tonnes. He said that was the maximum weight of present sized lorries that could be tolerated on Britain's bridges.

Schweppes in £4m plan for Scottish expansion

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

SCHWEPPES, Britain's biggest soft drinks manufacturer, yesterday announced a £4m expansion plan for its Scottish factory at East Kilbride.

The investment is Schweppes' biggest ever single investment in the UK and means continuing employment for the factory's 250 workers.

Schweppes has gone ahead with its investment plans in spite of a slow-down in growth last year due to the poor summer weather. Sales of carbonated drinks and fruit squashes depend on a good summer, although Schweppes and other manufacturers have tried to promote their drinks out of season as well as to even out the fluctuations in demand.

The Smiths Food Group, for example, is test-marketing a carbonated drink based on its successful Monster Munch range of children's snacks.

Schweppes said yesterday that its expanded East Kilbride factory would supply the whole of Scotland and parts of England.

The investment will be in four main categories. New bottling equipment will be installed which will treble volume output and the warehouse facilities will be expanded so that about 850,000 cases of a dozen bottles each can be stored.

The company also plans to build a new distribution depot of 16,000 sq ft and improve site access, services and other facilities.

Mr. George Young, managing director of the East Kilbride development corporation, welcomed the investment plans because he said there had been "some local apprehension due to certain rationalisation that had been taking place in the soft drinks industry."

The rationalisation included the decision in the autumn by Bass and Whitbread to merge their soft drinks interests.

U.S. finance house opens branch in Liverpool

BY RHYS DAVID

BANKAMERICA Finance, the finance house subsidiary of the big U.S. bank, will open its 14th UK branch in Liverpool next month.

The company, which offers loans, leasing and other finance facilities to individuals and businesses, has been engaged on a major branch expansion in the UK with other offices opening or due to open this year at Enfield, Canterbury, Exeter, Brighton and Guildford. The target is a total of 30 branches by 1985.

A major business identified by the group, which Liverpool in common with other branches will seek to develop, is leasing packages for companies interested in high technology software such as word processing equipment.

The company's Liverpool branch will be in India Buildings, a premier office location.

The parent Bank of America has branches in Manchester, Birmingham, Edinburgh and London.

● A three-person team flies from Liverpool to the Netherlands today to seek scheduled air service contracts from the municipal airport at Speke to the Dutch cities of Amsterdam and Rotterdam.

It is part of a campaign to attract new business to the loss-making airport and provide additional facilities for Merseyside companies on the Continent.

Mr. Rod Rufus, the airport director, who will be among the party, said yesterday the talks were a follow-up to those held with Dutch representatives in Liverpool last year.

He said: "We are building on contracts already made and we feel it is important to demonstrate our commitment."

A feeling of betrayal and a well-wisher's fiver down at the Old Vic

Michael Coveney mourns the loss of every actor's 'dream' theatre

THE OLD VIC, for several decades one of Europe's most famous classical theatres, yesterday received a £5 note from an elderly well-wisher as a gesture of nostalgia and support. But it will hardly dent an accumulated deficit, said to be about £400,000.

This faintly dilapidated Regency theatre which has housed the most famous classical performances of the past 50 years, is threatened with permanent closure later this month. Richard Burton's Hamlet, Judi Dench's Juliet, Laurence Olivier's Othello were among the glories played there.

But, a fatal blow to the theatre's fortunes was delivered by the Arts Council just before Christmas when its £300,000 grant was withdrawn. Support from local government and commercial sponsors was immediately jeopardised and an insupportable strain placed on the company's resources.

The theatre claims that, after a good year for its marketing and subscription drive, it was "turning the corner." A trading loss of £199,000 had been transformed into a £20,000 profit. But even using last year as a standard, it would have taken 20 years to repay the company's debt.

The company, formerly Prospect Productions, was funded by the Arts Council for its touring operation. Ever since Prospect succeeded the National Theatre in its building in 1977, repeated criticism has been levelled at the company by the Arts Council for presuming to set up shop in London. It has been argued that with the establishment of the Royal Shakespeare Company and the National Theatre, which together absorb subsidies of £8m, about one-tenth of the total available subsidy, there was little call for a third classical company.

The Old Vic and its traditionalist supporters have always rejected this, but the company is no longer the main focus for Shakesperean productions or even the classics.

The Old Vic opened as the Royal Coburg Theatre in 1918. It quickly established itself as a home for melodrama and music hall. In 1834 Paganini gave his farewell concert; in 1858, after a false fire alarm, 16 people died in a stampede from the gallery.

After a period in the doldrums, Emma Cons reopened the theatre in 1880, as the Royal Victoria Hall and Coffee Tavern, and in 1912 she handed on the management to another redoubtable spinster, her niece Lillian Baylis.

Opera had been first performed there in 1900, and the formation of the Vic-Wells Ballet Company, under the direction of Ninette de Valois in 1931, proved to be an event of far-reaching significance in the history of Britain's performing arts.

In 1935 the opera and ballet moved to the Sadler's Wells theatre in Rosebery Avenue, and the Old Vic, thanks to a brilliant generation of actors, became a National Theatre in embryo. In 1940 John Gielgud played Prospero and Lear and Sybil Thorndike and Edith Evans made their reputations.

From 1941 to 1950, the theatre was closed following bomb damage, but the Old Vic Company hit the heights at the New Theatre in the West End. The 1944-45 season included Ralph Richardson's Peer Gynt (directed by Tyrone Guthrie) and Laurence Olivier's Richard III.

The newly-formed Arts Council took an interest in the Old Vic after the war and Shakespeare thrived once more. The company was disbanded in 1965 when Laurence Olivier became artistic director of the new National Theatre in Waterloo Road, where he remained for 13 famous years. The first production was Hamlet starring Peter O'Toole. It is ironic that O'Toole's popular but critically reviled Macbeth last year was a crucial nail in the Old Vic's coffin. The Arts Council takes artistic standards into consideration where possible, and Macbeth, in their view, did not enhance the Old Vic's cause.

The Old Vic's present artistic director, Mr. Timothy West, denounced the Macbeth and was accused by the play's director, Mr. Bryan Forbes, of playing Judas. It was Mr. West's turn yesterday to assign the same role to the Arts Council.

Mr. West was speaking from Milan, where the company is on a seven-week European tour that is due to end.

Dame Peggy Ashcroft, who joined the Old Vic in the early 1930s to play Cleopatra, Imogen, Portia, Perdita and Juliet, described its demise as an "appalling tragedy" and said the theatre was every actor's dream.

"It has wonderful proportions and an extraordinary atmosphere," she said. "Some theatres have personality and some don't. The Old Vic has abundant personality, the personality of Lilian Baylis. I only hope it will not be turned into a bingo hall."

Lonrho loses appeal over alleged sanctions-busting

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

LONRHO HAS lost the final round of its marathon legal battle with Shell and BP over alleged Rhodesian sanctions-busting by the two oil companies.

After hearing two days of legal argument by Mr. Jonathan Parker, QC, for Lonrho, the House of Lords yesterday dismissed Lonrho's appeal without calling on counsel for the oil companies.

Lord Diplock said the Law Lords would give their reasons for dismissing the appeal at a later date.

Lonrho had appealed against a ruling of the Commercial Court, upheld by the Court of Appeal, that there was no legal basis for the company's multi-million pound damages claim.

The court hearings resulted from a decision at the private arbitration of the dispute last year that certain preliminary questions of law should be decided before the arbitrators dealt with the facts of the case.

On all but one question the arbitrators found for the oil companies. The Commercial Court and Appeal Court accepted the arguments of Shell and BP on all points.

Lonrho will have to decide whether it can continue with the arbitration in the light of the ruling on the law. That decision will have to await the Law Lords' reasons, which are unlikely to be handed down for several weeks.

The company will also have to decide what to do about its other sanctions-busting court action, against 27 other oil companies, including a number of Southern African subsidiaries of Shell and BP, and several individuals.

That action has been dormant since the High Court ruled that the dispute involving the Shell and BP parents should be dealt with separately by arbitration rather than in a public court hearing.

The whole dispute stems from an agreement in the 1960s under which Shell, BP and other major oil companies agreed to transport all oil for Rhodesia through a pipeline to be constructed by Lonrho from Beira in Mozambique.

Soon after the pipeline was opened the then Rhodesian Government declared UDI, sanctions were imposed by the UK government, and the pipeline was closed.

Lonrho alleged—and Shell and BP denied—that the oil companies conspired to sustain the illegal regime by getting oil into the country by other means.

Moran wins reinsurance case

BY OUR LAW COURTS CORRESPONDENT

LLOYD'S brokers Christopher Moran has won its court battle over a claim by five Lloyd's syndicates for return of reinsurance premiums.

The Court of Appeal allowed Moran's appeal yesterday against a Commercial Court order last June that the brokers repay $162,750 and £33,125 to syndicates 635, 648, 451, 158 and 931.

Lord Denning said that there was a serious dispute about whether or not Moran had effected non-marine reinsurance for the five syndicates with Mr. Derek Walker's syndicate 395.

Moran and Mr. Walker said that there was a contract. The five syndicates said there was not, or if there had been, that it had been cancelled.

On the appeal Moran raised a new point, not argued in the Commercial Court: that a Lloyd's custom in marine insurance that the broker was directly responsible for the premium to the insurer and not the assured applied also in non-marine business.

The syndicates disputed the applicability of the custom and objected to the point being taken at the appeal. But Lord Denning said that Moran should not be prejudiced in its defence by its lawyers' failure to raise the custom in the Commercial Court.

There was room for argument about the applicability of the custom to non-marine business.

If the custom did apply, and if a reinsurance contract had been effected, Moran would be liable to Mr. Walker for the premiums, and the syndicates would not be entitled to have them returned.

If there had been a contract which had been cancelled, the syndicates would be entitled to the premiums from Mr. Walker, who would recover the same amount from Moran. Moran would be entitled to claim damages from the syndicates for loss of commission.

If there had been no contract the syndicates would be entitled to the premiums from Moran.

Lord Denning said that the issues were so complex that they could be decided only in proceedings to which the syndicates, Moran and Mr. Walker were all parties.

The syndicates' action should be tried with one started by Moran, in which Moran claimed that the premiums should be paid to it, and also damages for loss of commission arising from the cancellation.

The court ordered that in the meantime the premiums be returned to the solicitors for Lloyd's, with whom they were deposited when the dispute began.

Farrington Stead clients claim £1.1m

BY CHRISTINE MOIR

SOLICITORS acting for clients of Farrington Stead, the Manchester investment management firm involved in the collapse of stockbrokers, Hedderwick Stirling Grumbar, have laid claim to £1.1m of funds frozen in Farrington's bank accounts. They say Farrington owes the clients about £1.2m.

Mr. Martin Fidler, Hedderwick's liquidator, obtained court permission in April to freeze the bank accounts as part of his attempt to recover debts of more than £1.5m owed by Farrington to Hederwick.

On Tuesday, however, Mr. David Pine of the Manchester solicitors, Alexander Tatham, contested Hedderwick's claim to the money on the grounds that the assets could be argued to belong to Farrington's clients rather than the firm itself.

Mr. Pine won an adjournment from the court which effectively prevents Hedderwick seizing the funds in the accounts until details of all Farrington's clients' claims can be established.

Letters will now be sent to all Farrington's clients, 90 per cent of whom were introduced to the firm by three investment brokers. The letter will ask them to outline their investments with Farrington Stead and join an umbrella action to seek to recover the total outstanding.

Mr. Pine already acts for about a dozen of Farrington's clients and is in touch with the three firms of brokers involved.

The details of the clients' claims on Farrington are unlikely to be settled before Tuesday when Hedderwick's creditors are due to attend a meeting at which Mr. Fidler will produce a statement of affairs.

If Hedderwick is unable to recover the money owed it by Farrington Stead its net deficit is likely to be about £2m

Barrister loses SDP name appeal

AN ATTEMPT by a 40-year-old barrister to stop the title "Social Democratic Party" being used to describe the political grouping formed by Mrs. Shirley Williams, Mr. Roy Jenkins, Mr. David Owen, Mr. William Rodgers and others, failed in the Court of Appeal in London yesterday.

Mr. Donald Kean, of Eccles, Greater Manchester, had his appeal, against the refusal of a judge in Manchester to grant him and six others an order against the four Labour rebels and 22 of their supporters, dismissed with costs.

Lord Justice Ackner, sitting with Sir Denys Buckley, said that in July 1979, Mr. Kean and six others formed the executive of a small Northern-based political party, the Social Democratic Party. It now had 43 members.

Mr. Kean, who conducted his own case, claimed that the more recent party had "stolen" the name deliberately knowing of the existence of his party.

Lord Justice Ackner said: "Mr. Kean has referred to the possibility of confusion existing between his party and the later party and I am quite prepared to accept that confusion could arise although in very limited circumstances."

But, said the Judge, in the absence of a malicious motive, any person had the right to adopt the name of another even though it could give rise to annoyance or inconvenience.

He said actions for "passing off" usually related to commercial activities where the public might be led to believe that one person's goods were those of another.

Mr. Kean had accepted that no goods, business or commercial activities were involved in his case. There was therefore no basis for the claim, said Lord Justice Ackner.

The judges refused Mr. Kean leave to appeal to the House of Lords. Mr. Kean said afterwards that he planned to ask an Appellate Committee for leave to go the Lords.

'Eat more bread' boost to declining industry

By Elaine Williams

A GOVERNMENT report recommending that people should eat more bread was welcomed yesterday by the bread industry. The report by the Department of Health and Social Security on the nutritional value of bread and flour comes at a time when bread consumption has been declining steadily and the UK industry faces further rationalisation.

The panel of medical experts, which took three years to draw up the report, wants the consumption of all types of bread, white, brown and wholemeal, to be promoted to replace some of the fat and sugar people eat.

In recent years there has been much concern that Western diets do not contain enough dietary fibre or roughage. This fibre is thought to help prevent various dietary diseases.

But, most Western countries and the U.S., are eating less bread because of the availability of alternative foods, higher standards of living, and better refrigeration.

Between 1955 and 1975 consumption of bread fell by more than one-quarter in France, the Netherlands, West Germany and Ireland. In the UK the fall was 18 per cent. In 1954, Britons ate 56 oz of bread per person a week, while in 1980 they are eating only 31 oz, a drop of nearly 44 per cent. Today's figure is equivalent to 10m loaves consumed each day with the total value for the industry, including cakes, worth about £1.3bn a year.

The declining sales of bread and cakes have worried bakers because it has led to overcapacity in the industry. Last year the major companies such as Ranks Hovis McDougall, closed some bakeries to rationalise business.

The industry has also been worried about rising costs especially of the wheat imported from the U.S. needed for British bread through a levy imposed by the EEC.

However, there are signs that there will be an improvement in bread sales mainly as a result of large advertising campaigns to promote bread products. The Federation of Bakers says that 1980 bread sales rose by 3.5 per cent.

There are about 100 flour mills in the UK run by 43 different companies, however 80 per cent of the production comes from only three: Ranks Hovis McDougall, Associated British Foods and Spillers-French.

About 70 per cent of bread is produced by automated plants owned by RHM, ABF and 36 other companies; the remaining 30 per cent is produced by about 5,000 "master bakers."

● A Halifax bakery and confectionery business, M and E. Harrison, has won the tenth and last heat in a £10,000 industrial achievement award scheme.

The company profits were hit by inflation in the mid-1970s and decided to increase efficiency through training.

● Ranks Hovis McDougall is to run a £20,000 appeal for Dr. Barnardo's, the voluntary child care organisation. The group is printing tokens on some 70m wrappers of Hovis bread and 5m packets of Hovis Crackers and Digestives between May and November. It will give Dr. Barnardo's £1 for every 15 tokens returned by consumers.

Tarmac and Wimpey back plan for £1.73bn Channel Tunnel

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

A JOINT company is to be formed by Tarmac and Wimpey, the construction companies, and their respective merchant banks, Robert Fleming and Kleinwort Benson, to promote a £1.73bn twin-tube Channel Tunnel.

The decision by the companies to join forces to lobby for the tunnel was announced by Tarmac yesterday as it became clear that officials at the Transport Department in London are preparing for talks at ministerial level between Britain and France on the Channel Tunnel.

The talks would be the first official forum for the two governments to discuss reviving the idea of a fixed link across the English Channel for seven years. Britain pulled out unilaterally in November, 1974, from a treaty agreement with France to go ahead with a Channel Tunnel.

A letter is understood to have been drafted by officials at the department in readiness for the time, expected to be in one or two months, when Mr. Norman Fowler, the Transport Secretary, has reached his conclusions on which, if any, of the nine fixed-link schemes he is examining should go ahead.

The two construction companies decided to join forces largely because of the similarity of the competing schemes they submitted to Mr. Fowler last year.

Both companies favoured a twin-tube rail tunnel to link France and Britain. Wimpey, however, in partnership with the Dutch Royal Volker Stevin Group, favoured the use of submerged tubes pre-fabricated by a number of British shipyards. Tarmac preferred bored tunnels built in phases.

Phase one of the Tarmac scheme involved a 7 metre diameter tunnel alongside a 4.5 metre service tunnel, a proposal similar to that recommended earlier this year by the House of Commons Transport Committee.

£10m venture capital fund set up

BY NICHOLAS LESLIE

A £10m venture capital fund, mainly backed by a group of Scottish institutions, has been established to put risk finance into technology-based businesses ranging from microelectronics to genetic engineering. The fund, Advent Technology, will also seek to finance the transfer of U.S. technology to Europe.

One of Advent's objectives will be to exploit the ideas of individuals or small groups of people in large corporations who may not feel confident enough to go it alone without the type of finance and management back-up Advent offers.

Fund management will be in the hands of experienced financiers and industrialists. One of them, Mr. Peter Brooke, is a key figure in the venture capital industry on the U.S. East Coast. The other two—Mr. Michael Moran and Mr. David Cooksey—are British entrepreneurs who have built up their own technology-based companies.

The creation of the fund follows several venture capital initiatives in the past two years with U.S. connections. Pilkington Brothers, Britain's largest glassmaker, initiated a £2m fund in February 1980 which is managed by Venture Founders, a UK subsidiary of Venture Founders Corporation of Boston, Massachussetts.

In June last year Scottish institutions led by Murray Johnstone and Scottish American put up £2m for a fund, again managed by Venture Founders. Later the National Enterprise Board set up a £2m fund to finance technology-based enterprises and the transfer of U.S. technology to Europe. The NEB forged links for this purpose with Mr. Jack Melchor, a Californian venture capitalist.

The areas in which Advent Technology will mainly concentrate are computers; industrial, commercial and military electronics; microelectronics; telecommunications; industrial process control; medical instrumentation and health care products; robotics; and genetic engineering.

Mr. Brooke, 51, whose company T. A. Associates, manages $200m of venture capital funds mainly invested in high-technology companies, said he believed the UK climate was right for technological change.

Mr. Cooksey, 40, who created Intercobra, a precision and high performance plastics group, from a loss-making business bought from De La Rue in 1971, said he believed Advent would bring a more aggressive approach to seeking potential investments than has generally been the case.

Advent Technology, 48 Manor Place, Edinburgh EH3 7ET (031-225 5784).

Southwark starts job creation company

BY GARETH GRIFFITHS

THE LONDON Borough of Southwark has established an independent company to administer its job and business creation programme in order to avoid the Government's constraints on local authority finance.

Southwark claims that its scheme has helped to create more jobs than any similar scheme operated by a council.

Lord Caldecote, chairman of the Industrial and Commercial Finance Corporation, will chair the new company, Southwark Aid. It will have operating funds this year of about £1.3m. Southward council will be able to transfer up to £1m a year to the company.

Lord Caldecote said the company will offer help to small companies wishing to stay in or move to Southwark. This could be in the form of finance, loans, grants, or property. Companies could also be given help with marketing and legal and planning problems.

The creation of the company on March 31 was a legal device to ensure that the three-year-old business creation scheme in the borough was not hampered by the capital expenditure restraints of the 1980 Local Government Act.

The Department of the Environment, however, believes that the company will not be exempt from Government restrictions.

Officials believe that the new company's operations are an extension of the local authority's activities and therefore subject to cash limits on capital spending.

In the past three years, the Southwark scheme has helped 260 companies and created 3,000 jobs in a wide variety of industries and services. The main aim of the scheme was to keep companies in the area. About 25 companies receiving help were newly established. Twenty companies were from outside the borough.

A Southwark industrial and commercial fund was set up three years ago with £3m. More than £1.5m was paid out in loans during 1979-80. Southwark Aid has taken over responsibility for the loans and will receive repayments and interest. This is expected to bring in £150,000 this year.

The £1m left in the fund has also been transferred to Southwark Aid to top up a £200,000 transfer from the council when the company was established.

Though it has given grants, the council has not made any loans under the scheme for the past 12 months, since it has been able to arrange financial help for applicants from private sector banks and the ICFC. It has turned down 11 applications. Three of the companies it has helped have gone into liquidation. Many companies receive rent relief.

Flowering pistol watch takes £17,241

SALEROOM

BY PAMELA JUDGE

SOTHEBY'S SALE of gold boxes and objects of vertu in Geneva yesterday realised SwFr 1.8m (£416,662). A gold and hardstone snuff box by Johann Christian Neuber of about 1780 made the highest price at SwFr 80,000 (£18,390).

A three-colour gold snuffbox went to D. Lavender for SwFr 75,000 (£17,241) and a rectangular snuff-box by Fremin fetched SwFr 70,000 (£16,091).

One of the most intriguing items in the sale was bought by Koopman for SwFr 75,000 (£17,241). It was a jewelled gold-and-enamel flintlock pistol watch with the watch concealed in the butt. When the trigger is pressed a white-enamelled and scroll-chased flower shoots out, spraying perfume.

Silver made SwFr 1.5m (£356,243), with 20 per cent bought in. Four French table candlesticks by Michel Filassier sold for SwFr 110,000 (£25,287), an oval soup tureen, cover and stand went to S. J. Phillips for SwFr 85,000 (£19,540), and a parcel gilt drinking cup and centrepiece by Albrecht Biller fetched SwFr 65,000 (£14,942).

In London Sotheby's sold English and foreign coins amounting to £130,686, and 19th-century European paintings for £203,750.

Treasury civil servant to aid Foot

By John Lloyd, Labour Correspondent

A SENIOR Treasury civil servant is to move to an appointment in the office of Mr. Michael Foot, the Labour Party Leader. This has caused some anxiety to Sir Geoffrey Howe, the Chancellor, because of the man's former access to confidential information.

Mr. Henry Neuburger, a senior economic adviser at the Treasury, has left his £18,000-a-year job for the post of economic researcher in the office of the Leader of the Opposition on Monday.

The post, a new one, will involve him in advising on Labour Party economic strategy. He will work closely with Mr. Peter Shore, the shadow Chancellor, as well as with Mr. Foot.

Mr. Neuburger is a leading member of the Conference of Socialist Economists, and has co-authored a pamphlet on the Alternative Economic Strategy. At the Treasury, he was in charge of a team concerned with the production of the short term economic forecasts.

The Treasury says that the currency of Mr. Neuburger's information will be limited because of his concern with short-term forecasts, though he occupied a key position.

It is understood that Sir Geoffrey was concerned about possible leaking of confidential information and possible repercussions from his own backbenchers once Mr. Neuburger's new post was known.

Slater charity judgment held

THE COURT of Appeal reserved judgment on a tax appeal involving two charities set up by Mr. Jim Slater and his wife.

The Inland Revenue contended that the Helen Slater Charitable Trust was not entitled to tax exemption on money it paid to the Slater Foundation which the foundation had not distributed for charity in the year in which it was received.

The Revenue had appealed against a High Court decision that the mere payment to the foundation entitled the trust to tax exemption.

Newspaper Society has new chairman

MR. JOHN BARRONS, managing director of Westminster Press, has been elected chairman of the Newspaper Society, which represents provincial and suburban newspaper-publishers. He succeeds Mr. C. N. D. Cole, chairman and chief executive of Thomson Regional Newspapers.

Mr. Barrons has been managing director of Westminster Press for four years and is chairman of 13 of its subsidiaries and divisions. He is a director of Pearson Longman, parent company of Westminster Press.

Decca plant for Taipeh group

THE Tatung company of Taipeh will take over Decca Radio and TV's plant at Bridgnorth, Salop, before the end of this month.

Mr. T. S. Lin, the board chairman, said that a new subsidiary, Tatung UK would open on June 1 and produce 130,000 units of colour televisions in the first year. About 70 per cent would be sold in Britain.

Co-ops' trading report

A TYPOGRAPHICAL error in British Business, magazine of the Departments of Tarde and Industry, led to a misleading impression about the current trading perofrmance of retail Co-operative societies as reported in yesterday's Financial Times.

British Business should have shown that the value of trade in January 1980 was based on a five-week month, while the level of trade in January this year was based on four weeks. The Co-operative Union said yesterday that, on an adjusted basis, trade in January last year was £264m. This January it was £290m.

Ulster council elections expected to show effect of Sands's death

FINANCIAL TIMES REPORTER

THE DISTRICT council elections in Northern Ireland for which nominations closed yesterday are expected to provide an important indication of the mood of the people in the Province after the death of Mr. Bobby Sands, MP, the hunger striker.

The 26 district councils comprising 526 seats have little power because the Province is ruled directly from Westminster. They administer sewage, car parks, parks and other services, but do not control education, roads or housing. Finance is dispersed through junior ministers working with all Civil Service departments.

However, the elections are of great interest because they are the only means of testing the electoral popularity of the various unionist splinter groups on one sde and Catholic groups on the other.

The major focus of interest until recently was how Mr. Ian Paisley's Democratic Unionist Party would fare against the official Unionist party, still the largest Unionist group in the Province in terms of district council seats and seats at Westminster (five out of 12).

However, the situation has been transformed by the death of Mr. Sands, and the fact that he won the Westminster Parliamentary seat of Fermanagh, South Tyrone, on April 9.

The Social Democratic and Labour Party, the main voice of Catholic moderation, lost face by not contesting the Fermanagh seat, and observers are waiting to see whether it will be emasculated in the district elections.

The party holds 103 of the 526 seats and controls three of the councils. It will be fielding 160 candidates in the elections.

The Provisional Sinn Fein, the political wing of the Provisional IRA will not be contesting any of the seats. However, the non-sectarian Alliance Party which holds 67 seats, is fielding 125 candidates and could gain at the expense of the SDLP.

There are more than 100 Independents and other small party candidates. The Republican Clubs, the political wing of the official Sinn Fein, is fielding 26 candidates.

There is a symbolic candidate in the form of Mr. Oliver Hughes, the brother of Mr. Francis Hughes, who has been on hunger strike since March 15. He is standing for the Magherafelt Council in Co. Londonderry for the Irish Independence Party.

There are 176 official Unionist councillors and 78 from the Democratic Party. The official Unionist party, is fielding 255 candidates and the Democratic Unionist party 200.

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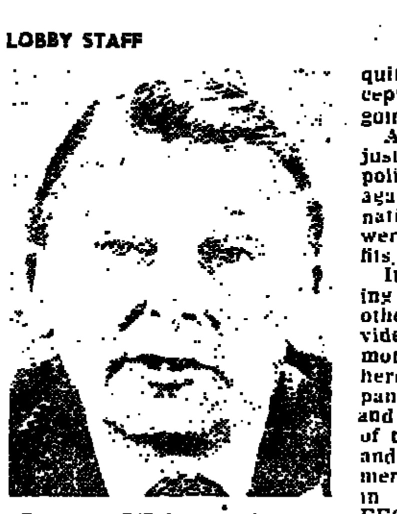
Pym warns of risk in quitting EEC

BY MARGARET VAN HATTEM, LOBBY STAFF

MEMBERSHIP of he EEC already guarantees 2¼m jobs in Britain and is likely to create thousands more, Mr. Francis Pym, Leader of the Commons, said yesterday. Withdrawal, as advocated by the Labour Party, would put all these jobs at risk, he told the Conservative Commonwealth and Overseas Council.

Less than two months before it begins its second six-month term as President of the EEC Council of Ministers (the first was in 1976), the Government is clearly worried about the growth of popular support for the policy of withdrawal. Mr. Pym's long point-by-point rejection of Labour's case and his defence of the Government's pro-European policies is part of a wider campaign to impress on the public the advantages of EEC membership before the campaign for yet another referendum on the issue gets off the ground.

But so far the Government appears to have made little headway, as Mr. Pym conceded. "It is all too clear from recent



Pym: "EEC membership guarantees 2¼m jobs. Withdrawal would put them at risk."

opinion surveys that the facts about our membership have simply not got across to a large number of our citizens," he said. "Their opinions are being formed on the basis of often quite staggeringly large misconceptions about what is really going on."

Although the fundamental justification for the EEC was political, as a "solid bulwark against the forces of international communism," there were substantial economic benefits, particularly for Britain.

Its exports to the EEC, growing twice as fast as exports to other countries, already provided 2¼m jobs. Thousands more were likely to be created here by non-EEC foreign companies, such as Nissan, Black and Decker and Honeywell. Half of the U.S.'s non-oil investment and half of all Japanese investment in EEC countries was now in Britain, mainly because of EEC membership.

"Would they seriously consider investing millions of pounds and creating thousands more jobs here if they thought that free access to the Community was uncertain? Surely they would look instead to the Continent. No more would come in and many of those here now would soon leave," he said.

Mr. Pym said critics of the EEC who sought to blame it for Britain's economic difficulties were pandering to popular prejudice and ignorance. Britain's economic problems stemmed from oil price rises, the sterling exchange rate, disproportionately high public spending, low productivity and outdated labour relations — they had nothing to do with the EEC.

As for the deeply unpopular Common Agricultural Policy, it was responsible for only a small part of the increases in food prices. "What really pushes up the price of food in our shops are labour costs, transport costs and rising overheads."

Outlining Britain's main objectives within the EEC over the next year or so, Mr. Pym said the Government would press for a grant scheme to encourage coal production, cheaper air fares, increased access to other EEC countries for British insurance companies and, above all, restructuring of the EEC budget.

Bid to cut duty on beer defeated

By Ivor Owen

A FURTHER attempt to force the Government to a reflationary course was condemned as "utterly irresponsible" by Mr. Peter Rees, Treasury Minister of State, during the resumed debate on the committee stage of the Finance Bill in the Commons last night.

An amendment designed to cut the additional duty on beer imposed in the Budget from 4p to 1½p per pint — involving a loss of revenue estimated at £240m — was defeated by 51 votes (285-234).

Mr. Rees described this as the latest in an utterly frivolous series of Opposition amendments ranging over cuts in the duty on petrol and derv to remissions of income tax, which, if approved, would have deprived the Chancellor of £4,240m.

Ignoring Labour protests, he also claimed that today's County Council elections had played a part in the Opposition's decision to press for a cut in the duty on beer.

Mr. Jack Straw, a Labour Treasury spokesman, protested that the additional duty imposed on beer in the Budget amounted to an increase of 38 per cent, which was twice the rate of increase imposed on wine and spirits.

As a consequence of the higher duty already borne by beer as a result of the present Government's policy, consumption and production had fallen, and there had been heavy job losses in the brewing industry.

Mr. Straw called for reflation on a scale envisaged by the TUC in its recently published £6bn programme for reducing unemployment.

His claim that this would involve an increase in the Public Sector Borrowing Requirement of some £3bn was hotly disputed by Mr. Nigel Lawson, Financial Secretary to the Treasury.

Proceedings on the committee stage of the Bill were adjourned until next week.

Green Paper on union immunities attacked as 'seriously misleading'

BY JOHN LLOYD, LABOUR CORRESPONDENT

A SCATHING attack on the Government's Green Paper on trade union immunities, and on the 1980 Employment Act, was made yesterday by Lord Wedderburn of Charlton, a former adviser to the Labour Party and Professor of Commercial Law at the London School of Economics.

In a document presented to the Commons select committee on employment, Lord Wedderburn argued that the Green Paper, which discussed trade union immunities but came to no conclusions, was hastily written, seriously misleading and "may even be a harmful and divisive publication."

He said that the contention in the Green Paper that "the balance of bargaining power" has tipped heavily in favour of the unions was absurd in the face of "the gigantic power of concentrated — often transnational—capital."

He wrote: "The current recession proves, moreover, how secondary is the place of the law; the basic balance of bargaining power is structured by economic and social—not legal—forces."

Lord Wedderburn said he is doubtful of the value of a system of "positive rights" for unions, as suggested in the Green Paper.

He said that:

- The distinction made in the Green Paper, and in the 1980 Act, between primary and secondary action "does not fit the facts of British industrial life and will have to be reviewed."
- The Green Paper does not appreciate why union members desire security agreements, or object to their employers dealing with other employers who offer sub-standard wages and conditions to their workers.
- The 1980 Act has diminished trade union rights in the UK "to a point where it can properly be said that organised workers have never had fewer rights to take industrial action—including picketing—since 1906."

Lords criticise 'start-up' scheme

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S "start-up" scheme to encourage the formation of new businesses was strongly criticised in the House of Lords yesterday on the grounds that it was too narrow to fulfil its objective.

The scheme, contained in the Finance Bill now going through the Commons, gives tax relief to people investing in a new business.

Lord Seebohm, former chairman of the Industrial and Commercial Finance Corporation and a former deputy chairman of Barclays Bank, predicted that the legislation in its present form would fail to attract risk capital to new businesses.

Speaking from the cross benches, he said the proposal was to make investments in new businesses tax deductible under £10,000—but the trouble was that there was no certainty of entitlement to this relief.

The people best qualified to provide expertise were the directors of companies in a similar trade. But clauses in the Bill made them ineligible.

In addition, a person making an initial investment of £5,000 was prohibited from making a further investment that would attract tax relief. He suggested a simple amendment could put this matter right.

Lord Seebohm was speaking in a debate initiated by Lord Spens (Independent) on the need for further assistance to new businesses and to stimulate existing smaller businesses.

Lord Spens also thought that the "start-up" scheme was too restrictive. It applied to only the first three years of the life of a business and covered only 30 per cent of the equity. Also it did not apply to a business which dealt in goods.

He suggested a new programme should be set up to encourage businessmen to act as "catalysts" for the formation of other small businesses in their localities.

These businessmen would organise syndicates to provide risk capital and the scheme might have a title such as "Trends of Small Businesses." The Manpower Services Commission might fund these schemes and local authorities could choose the person to act as the "catalyst" so long as he was not a civil servant.

The limited scope of the "start-up" scheme was also criticised by *Lord Bruce of Donington* from the Labour front bench. He said: "The clauses are so technical, so abstruse, that anyone who contemplates taking advantage of the scheme will have to engage the services of a professional accountant and probably a lawyer."

Earl Gowrie, Minister of State for Employment, replying to the debate, said the "start-up" scheme was an imaginative new measure. Many people wanted the Government to go further but in any tax area it had to proceed with caution. It would be a pity, he said, if the scheme was so open to leakage and abuse that it proved unworkable.

Social security checks save £40m

BY RICHARD EVANS, LOBBY EDITOR

A SPECIAL Government campaign to counter social security frauds saved the taxpayer more than £40m in the 1980/81 financial year, Mr. Patrick Jenkin, Secretary for Social Services, disclosed yesterday.

The special measures, involving more than 1,000 extra staff, followed criticism from a number of Conservative MPs at the degree of abuse and the extra burden this placed on the Exchequer.

Mr. Jenkin told MPs in a Commons written reply that the Government, in view of this "satisfactory result," would continue its measures against social security fraud and abuse, at broadly the same level.

The main problem areas were found to be the fraud of claiming benefit as an unemployed person while gainfully employed, wilful failure to take up job vacancies, and failure to maintain dependent members of families who then had to claim supplementary benefit.

Mr. Jenkin stressed in answer to Mr. Nigel Forman (C., Carshalton), that the saving of over £40m which would otherwise have been unjustifiably paid out in benefit, was not the only advantage gained.

There was an additional saving or around £13m in the run-up to the campaign between September 1979 and March 1980.

He estimated that in total the 5,600 staff operating in this area saved the taxpayer about £170m during 1980/81.

He added that the department had been careful to ensure that "the honest and the innocent" had nothing to fear from the additional inquiries.

Initiative on Gibraltar ruled out

By Jimmy Burns

SIR IAN GILMOUR, Lord Privy Seal and Minister with responsibility for Europe, yesterday ruled out any major new British initiative to try to break the deadlock between Britain and Spain on Gibraltar.

Sir Ian told the Commons committee on foreign affairs that the Government saw "no need" for any further negotiations until Madrid had agreed to implement the Lisbon agreement of April, 1980.

Under the agreement, reached by Lord Carrington, Foreign Secretary, and Sr. Marcelino Oreja, the then Spanish Foreign Minister, Spain was to lift the blockade of the Rock unilaterally imposed by General Franco in 1969. Britain, in return, gave an undertaking that once the border had been opened, it would review all aspects of continuing British control of the Rock.

Madrid, however, has since shifted from an unconditional commitment to lift the restrictions to an insistence that Britain should first agree to granting equal rights for Spaniards wishing to work and live on the Rock.

Sir Ian insisted yesterday that, in his view, the question of equal status was a "technical" rather than a major political issue

He said a closed frontier would be "inconceivable" once Spain had joined the EEC, although he refused to be drawn on whether this meant that Britain would make its continuing support for Spanish entry conditional on the lifting of restrictions.

10% of taxpayers given wrong code

BY TIM DICKSON

ABOUT 10 per cent of all PAYE taxpayers were given the wrong initial PAYE tax code for 1981/82, Sir Lawrence Airey, chairman of the Board of Inland Revenue told the Public Accounts Committee yesterday.

Sir Lawrence was quoting from a survey undertaken in 170 out of the 580 tax offices with PAYE and Schedule E work which also shows that errors were found in the handling of about 22 per cent of tax returns in 1980/81 and about 27 per cent of assessments made in 1979/80.

The special exercise followed the appointment last June of 60 specially selected inspectors scrutinising the quality of the Department's work.

On the coding notices, Sir Lawrence said that the results confirm the impressions of an earlier less comprehensive review. On past experience, about a third of the errors would be corrected, leaving a final error rate of about 6 per cent. Of this 6 per cent, nearly half would result in tax errors—overpayments or underpayments—of £5 or less, with most of the rest confined to errors in the £5-£30 range.

About 80 per cent of the errors on returns — sent to about one third of all taxpayers—result in under or overpayments of £5 or more. About 70 per cent of the errors on assessments — about 3m are made each year — are for £5 or over.

The Inland Revenue said yesterday that a strict definition of "error" was used in the survey. A total of about £17.3m was overcharged on returns in 1980-81 and some £12m on assessments in 1979-80.

Sir Lawrence told the committee that efforts were being made to reduce the number of errors. The disappearance or simplification of certain tax allowances recently was expected to help.

Universities may face big rates rise

BY RICHARD EVANS, LOBBY EDITOR

UNIVERSITIES throughout the country could face severe additional burdens following a rating decision against Imperial College, London. It was regarded as a test case.

A local valuation court has found in favour of Westminster Council in its claim against the college for an increase in rateable value from £649,972 to £804,138.

Imperial College was backed in its fight by London University and an appeal to the Lands Tribunal is expected. Westminster regards it as a significant victory as it overturned the long-standing basis on which university buildings were rated.

If the appeal is rejected there could be rating challenges throughout the country by local authorities anxious to increase their incomes.

Mr. Robert Rhodes James (C. Cambridge) and the party's liaison officer for Higher and Further Education, is to raise the matter urgently with Mr. Michael Heseltine, Environment Secretary, and Mr. Mark Carlise, Secretary for Education.

Left ploy on electoral college countered

By Philip Bassett, Labour Staff

RIGHT-WING leaders of the Amalgamated Union of Engineering Workers were forced to move swiftly yesterday to counter surprise manoeuvres by the union's Left-wing which would have dealt a blow to moderate union leaders' hopes of reversing in the autumn the decision on the Labour Party leadership taken at the special conference at Wembley in January.

If moderates on the union's policy-making national committee had not acted so quickly, the Left's ploy could have again prevented the AUEW from placing its 850,000-strong Labour Party affiliated block vote behind the electoral college formula which would give the greatest voting strength to the Parliamentary Labour Party.

Moderate union leaders — including Mr. David Barsnett, chairman of the Trade Unions for Labour Victory campaign—are counting on the AUEW's vote for their efforts to overturn the Wembley decision to stand any chance of success. Wembley gave 40 per cent of the electoral college votes to the trade unions, and Labour Left-wingers want the decision upheld at the full party conference at Brighton this autumn.

The disarray at the AUEW national committee centred on the fact that there were only two motions on the agenda on the composition of the college — both of which proposed a one third-one third-one third split between MPs, unions and constituency parties.

AUEW leaders planned to have an amendment tabled to the second of these motions which would have given the union enough flexibility to vote for the 50-25-25 formula of the moderate unions. The AUEW had to abstain from voting at Wembley, thus helping the Left secure victory, because it was tied to a policy which would not let it vote for any formula which gave less than 51 per cent of the votes to the PLP.

However, following the defeat of the first one third-one third-one third motion yesterday, the AUEW Left withdrew the second motion — leaving the union with no policy on the electoral college other than the one which forced it to abstain at Wembley.

Right-wingers in the union were taken aback at the Left's move, and had to cobble hurriedly together an amendment on the electoral college formula to the next motion on the agenda, even though it had itself nothing to do with the issue. The Right-wing movers of the motion accepted the amendment.

However, the disarray on the Right at the Left's surprise manoeuvre was clearly shown in the loose wording of the amendment which could force the union into being outmanoeuvred again at the Brighton conference if it is not altered again today at the national committee.

The amendment commits the union to voting for the formula which gives the greatest number of votes to the PLP. Left-wing unions could easily neutralise the AUEW's vote by simply putting up a motion giving the PLP, say, 90 per cent of the votes which no one else but the AUEW would probably vote for.

Mr. Terry Duffy, AUEW president, admitted last night that there would have to be changes in the wording of the amendment today even though it had already been accepted by the movers of the motion to which it is attached. He said he expected to come out of today's national committee with enough flexibility to put the union's votes behind the moderates' formula.

Civil servants may vote for national stoppage

BY NICK GARNETT, LABOUR STAFF

OFFICIALS of the biggest civil service union now expect delegates at their annual conference next week to vote in favour of a national stoppage which would also affect Employment and Health and Social Security areas.

This follows the submission of emergency motions to the conference of the Civil and Public Services Association and would intensify the two-month dispute. Some members of the CPSA executive appear to believe though that such a course of action might adversely affect the ability of the unions to pursue the dispute.

Leaders of the Society of Civil and Public Servants, which represents executive grades, will press on Monday at their annual conference for a week-long national strike from May 25.

It is still unclear whether the CPSA conference will be faced on Monday with deciding on a firm date to begin strike action or voting on motions simply committing the union to participating in any national strike caled by all the unions.

Some members of the CPSA executive, meeting tomorrow and Sunday to consider its position, will argue that an earlier special conference decision empowering the executive to a general intensification of the dispute is sufficient, and that there would be dangers in a national strike.

The executive of the Inland Revenue Staff Federation will recommend to its conference that members should support any intensification of the pay campaign the Council of Civil Service Unions considers necessary.

The Civil Service Union's annual conference yesterday voted against balloting its members on future industrial action.

Pauline Clark writes: Major disruption of airport services is expected again today. Air traffic controllers involved in the Civil Service pay dispute plan to take action at Heathrow, Gatwick, Stansted and Prestwick, Scotland. Unions warned yesterday that morning strike action tomorrow would switch to London air traffic control at West Drayton and to Liverpool airport.

Because of the half-day strike planned at Heathrow today, British Airways has cancelled 101 European and domestic flights in and out of the airport. Other airlines have also cancelled and re-scheduled flights. Long distance flights have been postponed until the afternoon when the controllers return to work.

Industrial action by air traffic control staff yesterday was concentrated again in Scotland. It brought Glasgow, Edinburgh and Inverness airports to a standstill during a half-day strike.

- Computer operators on the afternoon shift at Customs and Excise, Southend, walked out yesterday, joining 298 colleagues on indefinite strike, the Council of Civil Service Unions reported. Another 6,000 staff walked out at the driver and vehicle licensing centre in Swansea.

Strike to hit Midland Bank

BY NICK GARNETT, LABOUR STAFF

MIDLAND BANK'S computer operations and cheque clearing will be seriously disrupted next week following a decision by the Banking, Insurance and Finance Union to call out data processing staff on a one-day stoppage.

The strike is due to last for one shift cycle from 10.30 pm on Monday at the five centres with the action rolling on until Wednesday morning. The backlog of work is likely to affect the bank's operations and delay cheque clearing for most of the week.

The union's executive is meeting on Thursday to consider the results of the ballot on pay and industrial action among its 70,000 members in the English clearers.

Mr. Leif Mills, the union's general secretary, said yesterday that the executive will also consider the union's attitude to maintaining its position within national negotiations for the five banks.

He said the credibility of national negotiations was in question and the union could not tolerate a position where staff associations were effectively making the decision for the union.

The Clearing Bank Union has already accepted the banks' 10 per cent offer. Although there is growing pressure among BIFU officials to consider pulling out of national negotiations a considerable number of executive members are worried about the long-term effects on the union if such a step is taken.

The union, which has also rejected an offer of 10 per cent from the Trustee Savings Banks, has so far failed to mount decisive industrial action against the clearers. Mr. Mills said the action at Midland was designed to persuade the bank to negotiate separately with the union.

Midland is not expected to change its position as a result of next week's strike which followed a vote of about 2 to 1 among about 700 of the union's 850 computer members in the Midland.

Sir David Barran, Midland chairman, told yesterday's annual general meeting following questions from Mr. Mills that he did not consider a separate agreement with the union would be a "suitable procedure." Mr. Mills said afterwards that Sir David was "depressingly negative" on the issue.

The union is putting its pay claim for non-clerical staff at Williams and Glyn's through arbitration. Arbitration might also be used at the Standard Chartered Bank and the Joint Credit Card Company.

AUEW may evade ballot subsidy row

BY PHILIP BASSETT, LABOUR STAFF

LEADERS of the Amalgamated Union of Engineering Workers are expected today to try to sidestep what they expect would otherwise be an embarrassing defeat of their proposal to accept Government money to fund postal ballots for the election of union officials.

AUEW leaders fear that if their proposal is rejected at Eastbourne today by the union's policy-making national committee, it will be seen, in effect, as a vote of no confidence in the union's Right-wing executive.

The executive is convinced that if its proposal to apply for ballot money under the terms of the 1980 Employment Act were put to a straight vote today, the 91-strong national committee would defeat it. This is because dissident members of the normally-unanimous leadership have made it clear that they will not support the resolution.

Following an unsuccessful final attempt at a meeting of the union's Right-wing caucus on Tuesday night to persuade the dissidents to come back into line, executive councillors now believe that a total of 18 Right-wingers will not support the executive.

If all 18 joined the 34 Left-wing national committee delegates who are firmly opposed to applying for ballot money, the normal division of voting in the committee of 57-34 would become 52-39 in the Left's favour — sufficient to tip the scales.

To avoid such a defeat, the executive has considered whether to withdraw its proposal completely. However, it seems unlikely that such a course will be followed, because it would be too open an admission of defeat.

Instead, a number of proposals were considered to try to save face at a meeting of the executive in the flat of Sir John Boyd, the union's general secretary following a meeting of the Right-wing caucus.

The most likely way of evading the issue today will be an amendment, tabled from the conference floor, suggesting that the union should take the money—but only from a Labour Government when one takes office.

Redundancy formula for Shipbuilders

By John Lloyd, Labour Correspondent

THE OVERTIME ban by 70,000 workers at British Shipbuilders will end tomorrow following an agreement by the company to drop its demands for more than 100 compulsory redundancies.

The decision by the shipbuilding negotiating committee of the Confederation of Shipbuilding and Engineering Unions follows talks yesterday and on Tuesday night between the company and CSEU officials.

Mr. Robert Atkinson, the company's chairman, agreed that, as the number of redundancies required had almost been met voluntarily, he would not press for compulsory redundancies.

The unions and the company have also committed themselves to talks on a "shipbuilding charter," to be agreed between the unions and the company before presentation to the Government.

The charter, on which the unions have been keen for some time, would be likely to contain planned investment and output levels, together with productivity targets.

MPs back community service plan

By Our Lobby Correspondent

MOVES WERE made yesterday to promote a debate about some kind of national community service for young people. More than 130 MPs signed a Commons motion calling on the Government to investigate the feasibility of introducing a scheme of "under-compensated publicly useful service" for school-leavers.

All but four of the signatories were Tories, covering a wide range of opinion within the Party. The motion was deliberately worded so as to attract the widest possible support, and for this reason it left open the central question of whether the scheme should be compulsory.

Some of the sponsors, including Sir Hugh Fraser (C., Stafford and Stone), who recently published a paper on the subject, favour a compulsory approach, while others believe there is only room for a relatively limited voluntary programme.

But the motion reflects the widespread concern on the Tory backbenches about the growing level of unemployment among young people and the social tensions this can create.

Isle of Grain work soon

BY OUR LABOUR CORRESPONDENT

THE CENTRAL Electricity Generating Board said last night that it would begin work once more on the fourth 660 megawatt unit at the Isle of Grain power station construction site.

The site workforce agreed on Tuesday to abide by the terms of the TUC peace formula, which allows members of the General and Municipal Workers' Union to return to their traditional insulation or lagging jobs, while redeploying trainee laggers on other tasks on Unit Four.

Mr. Denis Lomer, a board member of the Central Electricity Generating Board, the site's client, said that Unit One should be completed in three weeks' time, and that the unit would be synchronised with the grid soon after. Unit Two is already producing power.

The station's Unit Three, on which the lagging work remains to be done, is expected to be completed by the end of the year. Mr. Lomer said that over

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Postal workers vote for 8%

POSTAL WORKERS have voted clearly to accept a pay offer providing an 8 per cent rise on basic rates from April with a further 1½ per cent from November.

In the deal, accepted by 140,000 postal members of the Union of Communication Workers, allowances will also be raised by 8 per cent.

Calls for arbitration decline

BY PAULINE CLARK, LABOUR STAFF

THE DECLINE in business fortunes because of the recession and changes in employment law have combined to produce a sharp reduction in the workload of the Central Arbitration Committee.

In its annual report published yesterday, the CAC emphasised that arbitration remained "an important tool in the current framework of industrial relations," although it expects to continue to play a relatively minor role in the structure for solving industrial disputes over the current year.

The committee—an independent body which draws on a standing pool of experienced arbitrators to take up dispute references from the Advisory Conciliation and Arbitration Service — reported 450 references last year compared with 617 in 1979 and 1,065 in its peak year, 1978. As a result its staffing has now been reduced to only 11, compared with 58 at its peak.

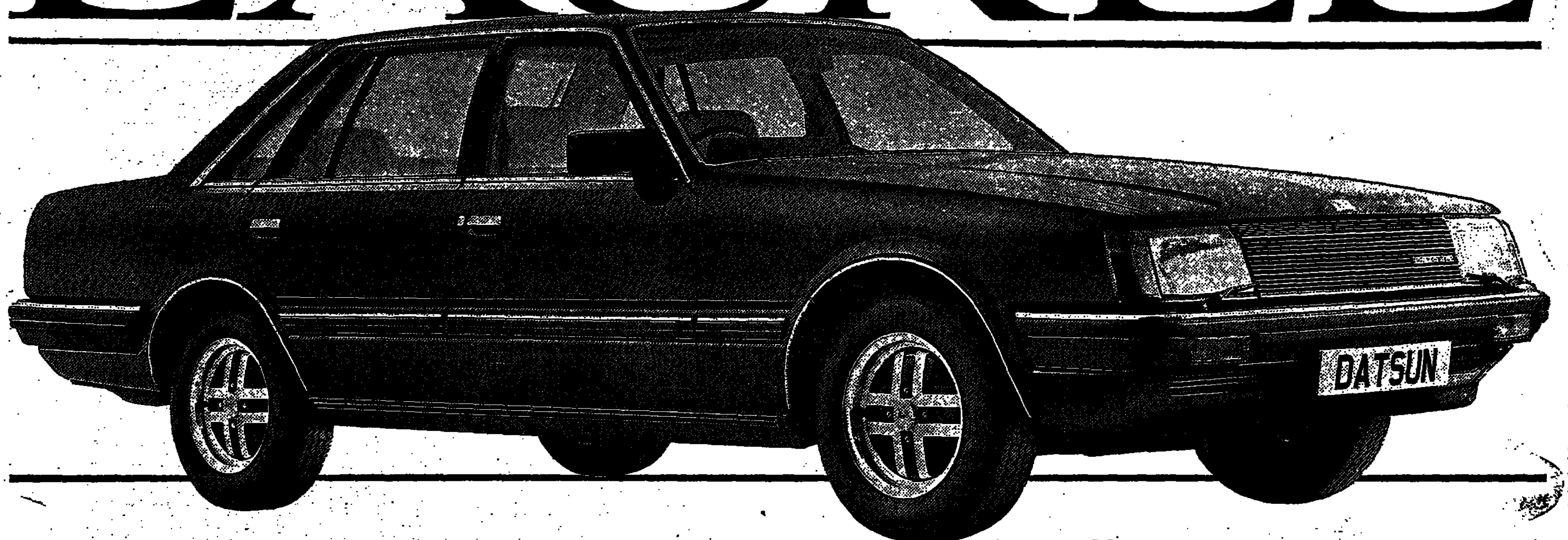
The sharp decline in references is attributed largely to the repeal of Schedule 11 of the Employment Protection Act 1975 which allowed unions to seek arbitration for recognised terms and conditions of work.

The number of cases referred last year to the CAC under both Schedule 11 and the Fair Wages Resolution also fell sharply because there was no incomes policy, leaving parties in dispute freer to settle among themselves often with the help of conciliation by ACAS.

On disclosure of information issues, for instance, CAC received only 21 references last year and only nine in the first few months of this year.

The low level of references is believed to be attributable mainly to the present willingness—even eagerness—of employers to open their books to unions during wage negotiations—a practice which at present is not always welcomed by union wage negotiators.

THE NEW DATSUN LAUREL



Setting new standards of luxury and performance

This is the New Datsun Laurel—a 2.4 litre luxury saloon, created and perfected by the most advanced automotive techniques in the world.

The styling is clean and handsome; the performance exceptionally quiet yet powerful.

The interior furnishings are luxurious and discreet; the equipment more comprehensive than ever before.

Every aspect of the New Laurel reflects a resolute approach to efficiency. High-tension steel is used for lightness and strength.

The shape is determined by computers to give a remarkably low drag co-efficient of only 0.41.

An advanced coil spring suspension geometry has been developed for the safest, most responsive road holding and handling we could achieve with an outstandingly quiet ride. Steering and braking are power-assisted, for maximum efficiency. The New Laurel is actually longer and lower than a Ford Granada, but has the feel and handling of an agile medium sized saloon.

Notice the careful styling treatment. A low waistline and six-light windows for maximum visibility. The windscreen wipers concealed out of sight when they are not in use. Impact absorbing polypropylene bumpers and a built-in spoiler. The carpeted boot 25% larger than its predecessor.

The clean styling and the smooth-running 6 cylinder engine, with an overdrive 5-speed gearbox, combine to give 109 m.p.h. performance with economy that puts many ordinary family cars in the shade—at 56 mph the Laurel luxury saloon gives almost 40 mpg!

The halogen headlamps, like the windscreen, have a one-touch wash/wipe system. Even the two door mirrors are adjusted electrically from the driving position. The windows are electrically operated too: and the driver, besides an adjustable steering wheel, has a seat that reclines, adjusts vertically and has a 9 inch forward/backward movement.

The dashboard includes a rev. counter, push-button radio, a stereo cassette player and a triple-function digital clock.

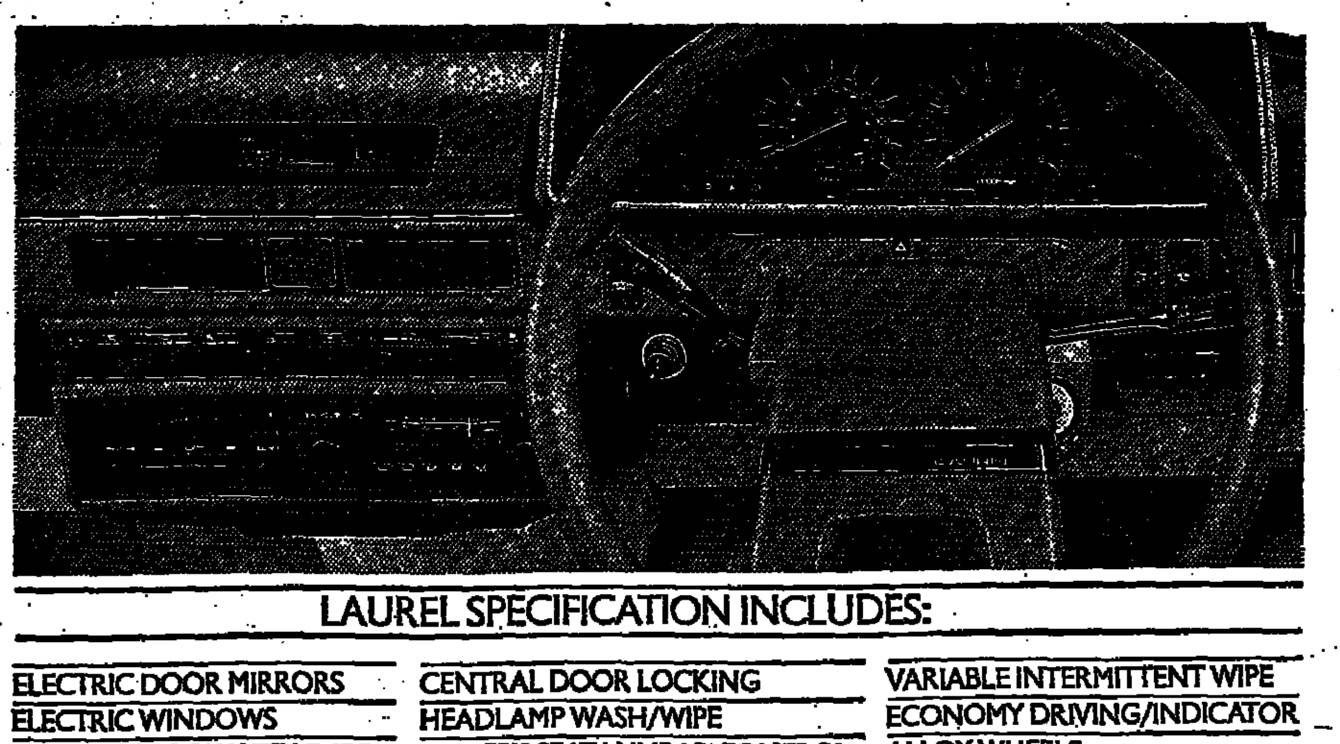
Controls for the power operated windows include a switch to open or close the driver's window completely with one touch. Should you accidentally leave the lights on when you park the car, there's a warning chime to remind you.

The New Laurel has many other thoughtful features such as central door locking, a variable timer on the screen wipe, individual reading lights for each passenger and interior release for the boot and fuel filler lid. Warning lights on the dashboard cover many functions including a stop or tail lamp inoperative, screen washer level too low, or door left ajar.

The New Laurel, priced at just £6,635 including Car Tax and VAT, is an outstanding motor car and certainly a new leader in the executive class.

If you prefer an automatic gearbox, that is available at extra cost. So is an electric sunroof.

There are over 400 Datsun Dealers in the United Kingdom where you can see and inspect the New Laurel now. We think you'll find a visit extremely worthwhile.



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TECHNOLOGY

EDITED BY ARTHUR BENNETT AND ALAN CANE

ELAINE WILLIAMS reports on how Thorn converts waste to fuel

Burning the left-overs saves money

A British domestic appliance company hopes to save about £72,000 a year at one of its factories by using its waste as fuel.

At the end of April, Thorn Domestic Appliances and Thorn Lighting, part of the Thorn-EMI group, completed installation of a waste-handling system to turn its rubbish into a suitable fuel which could be burned in its new coal-fired boilers.

The company expects to recoup the capital cost of the equipment within two years.

The Spennymoor factory on the outskirts of Durham, which manufactures electric cookers, refrigerators, microwave ovens under the Moffat, Tricity, Bendix and Kenwood labels has certainly taken the call to save energy to heart.

It has two full time energy managers whose enthusiasm has resulted in the company saving thousands of pounds a year. In the past four years they have introduced no less than 11 energy saving schemes.

For Thorn, like many other companies it is not only the cost of oil and coal which has been rising. The factory produces about 3,000 tonnes a year of unsaleable waste which costs £75,000 to remove.

Another problem was an environmental one since the County Durham refuse tips were filling up rapidly and suitable tipping sites were hard to find.

Luckily, Thorn had decided to replace its oil-fired boilers—which had used 3m gallons of oil a year—with more economical coal fired ones. The installers of the boiler, Parkinson Cowan also part of the Thorn group suggested that it might be possible to add up to 20 per cent of waste to the coal.

The waste would have to be shredded down to a consistently small particle size but otherwise Parkinson Cowan said that all other problems could be solved.

More than 80 per cent of the waste produced by the Spennymore factory is combustible, mainly paper and cardboard with some wooden packing cases and 10 per cent plastics. With an average energy value of about 7,000 BTU/lb for this waste, it has an energy equivalent of about 1,250 tonnes of coal annually.

Thorn called in Claas Biomatic, a UK subsidiary of a West German company to design the waste handling system. It was decided that the shredding should be done in two stages so that no particles larger than 25mm would be produced.

The system was designed with a metal plate conveyor which takes the waste from ground level and feeds a shredder which can take the factories rejected deep freezer and refrigerator cabinets as well as wooden pallets.

After the first stage of shredding, the scrap then passes under a magnetic separator which extracts all the ferrous metal and dumps it in a skip for removal. This has increased the amount of metal scrap separated from the waste and sold.

The remaining combustible material passes over a continuous check-weigher where the total of fuel is assessed, before it enters a granulator. There it is reduced to a very fine particle size before being being fed into the boilers.

Lightweight metals fabrication helps aircraft and satellites

ADVANCES IN the production of lightweight metals and alloys for aircraft and satellites have been announced by British Aerospace, the British Aluminium Company, and High Duty Alloy Extrusions.

British Aerospace claims that it is the first in the world to make titanium components by a "revolutionary" fabrication method for the series production of an airliner.

The latest A310 version of the European Airbus will incorporate four titanium alloy structural components fabricated by the superplastic forming and diffusion bonding (SPFDB) process developed at the Filton, Bristol, factory of the British Aerospace Aircraft Group.

Unit cost is said to be dramatically reduced by means of this process. The components are claimed to be as strong as the same parts made by conventional forming methods but less than two-thirds of the weight.

The four items are "cans" which house the operating jack and track for the moving surfaces on the leading edge of the main wing as they are retracted into the wing. These also form part of the wing fuel tank walls and are designed to withstand high pressures.

The use of SPFDB in making these four relatively small parts is claimed to save up to £1,000 per aircraft. In this process flat shapes are cut from titanium sheet and welded round the edges to make a gas-tight envelope.

The titanium, a fairly costly metal well-known for its strength, lightness and corrosion resistance, but difficult to machine and cold-form, is heated to about 950 degrees C in a precision mould. It then takes on "superplastic" qualities which allow it to be blown into shape against the surrounding mould with great accuracy.

In its superplastic state titanium sheet can be stretched to more than 10 times its original length. In the process, not unlike glass-blowing, an inert gas is used to blow the metal into shape. As the gas pressure causes the titanium to flow into the required shape the combination of heat and pressure also makes the adjacent surfaces join so that they become, in molecular terms, one piece of metal. This is known as diffusion bonding.

The Advanced Manufacturing Technology group at Filton has spent about 10 years in developing the SPFDB process to the point where, it is claimed, it can be applied usefully and profitably not only to series production parts but to much larger and more complex components. Missile wing structural parts, for example, have been produced by the group in a single SPFDB operation.

At British Aluminium, the company's technological centre is developing aluminium-lithium alloys which are claimed to be lighter and stiffer than conventional aluminium alloys, with a density 10-15 per cent lower and a modulus of elasticity 10-20 per cent higher.

Three classes of alloys are under development for various aerospace duties:

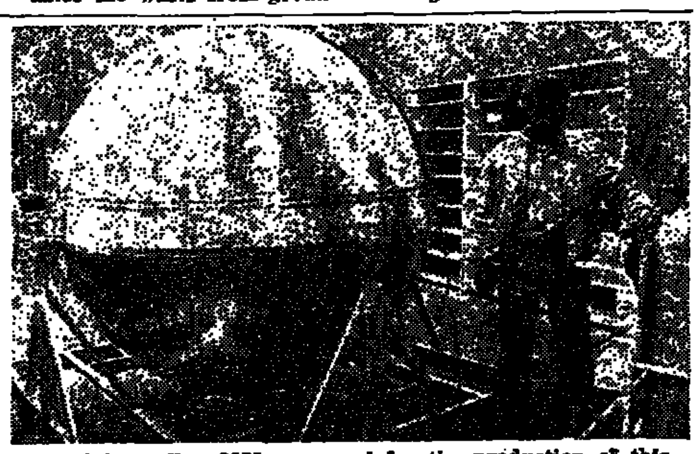
Aluminium-lithium alloys for structures requiring the highest stiffness, lowest density and medium strength such as missiles and guided weapons;

Aluminium - lithium - magnesium alloys for aircraft structures requiring medium-high strength and lower density as a replacement for the existing 2014 and 2024 alloys;

Aluminium - lithium - copper-magnesium allows for structures requiring high strength and low density as a replacement for 7075 type alloys.

It is believed that aluminium-lithium alloys will provide a less costly method of saving weight and increasing stiffness than the use of carbon-fibre reinforced composites (CRC). Compared with existing aerospace aluminium alloys, these new alloys will not need any significant changes in fabricating techniques. The use of CRC materials requires an entirely new fabricating technology involving high capital costs.

British Aluminium claims that it is helping the American satellite programme with the supply of special alloys which are becoming scarce in the United States. In particular, hardware and vehicles for many satellites produced by the Space Systems Division of the Lockheed Missile and Space Company at its Sunnyvale, California, plant require special aluminium and magnesium alloys at short notice.



Aluminium alloy 2021 was used for the production of this propellant fuel tank for use in space satellites. It was manufactured by the Lockheed Missile and Space Company.

The design of the satellite fuel tanks is based on welded 2021 alloy, which contains 6 per cent copper with minor additions of tin, vanadium and cadmium. This alloy, no longer available in the United States because the quantities required are too small for the major North American producers, is now being produced by British Aluminium in the form of forging billet, sheet, thin plate, and extrusions. The company is also supplying rolling block for the production of thick plate.

British Aluminium claims that its supply of these metals has made possible the continuation of the existing satellite fuel tank design.

High Duty Alloys Extrusions, a division of British Aluminium, is producing a variety of large profiles from high-strength alloys and is currently involved with several major aircraft building projects. They include civil airliners such as the BAe 146, Boeing 767 and European Airbus and military aircraft such as the Tornado, Jaguar and Hawk.

The two HDA Extrusions works at Workington and Warrington have a total of 11 presses with load capacities from 1,250 tonnes and 5,000 tonnes capable of producing large and small extrusions from any of the company's range of alloys.

Graeme Allen

Mimic an ocean with a Froude engine tester

BY ALAN CANE

FROUDE Engineering makes machines which can mimic an entire ocean—or at least that part of the ocean which surrounds a ship's propellor.

It builds and runs dynamometers, devices to measure the power and efficiency of engines of all sorts, from petrol engines for motor cars to the giant diesels in power stations and oil tankers.

It won the Queen's Award this year—the third in its 100 year history—for its LS model, a low speed dynamometer capable of testing engines generating up to 100,000 kilowatts.

That is about 125,000 horsepower. By comparison, the average family car generates under 100 horsepower and a Formula One racing car between 300 and 400 horsepower.

These machines, built for testing massive marine diesels which at top speed turn at perhaps 150 rpm, were built around a new principle which won Froude the award.

To compute the torque generated by the engine, it used a three-legged support of two load cells on one side and one on the other around the drive shaft.

The resulting difference in loading is fed into a minicomputer and the engine power read out directly.

Froude invented the art of dynamometry—now it has retained its lead despite competition from the West German companies of Zoellner and Schenck.

Ocean mimicry? The company has designed dynamometers for the U.S. Navy which simulate the power developed by a 250,000 horsepower marine engine at sea. The device is used for training naval officers.

These big diesels are usually only on test for a week or so, but for companies—such as motor firms—testing engines continuously, Froude has developed dynamometers which conserve the energy generated during the test and feed it back into the factory's power supplies.

Rights for Onyx

JOINT distribution rights in Britain for Onyx 16-bit and 8-bit microcomputers have been granted to Scan Data International (09066 2235) and Thames Systems (084 421 5471) by Onyx Systems, San José, California.

The 16-bit Onyx C8002 microcomputer has built-in Winchester 8-in fixed disc drive of either 2M byte or 40M byte capacity. It is based on the standard Z8002 microprocessor and, as well as the rigid disc drive, is claimed to provide advanced multiprocessor design and a high-density cartridge tape drive within one compact cabinet.

Onyx Systems Inc. was recently floated as a public limited company in the U.S. Its name is reported to have been coined during a conversation in a bar (pub) in Santa Clara, Calif. The name Onyx is believed to be that of the bar, though confirmation of this is not immediately available.

POINTERS

Choice of Spuds

CLAIMED to be a step towards the automation of potato handling, sizing and counting a machine introduced by Loctronic Graders (024 541 2156) makes use of the science of optics. An image camera scans each potato while a microprocessor registers its length and width. It is then transferred gently into the appropriate conveyor by pneumatically-operated rubber-covered "fingers."

At present three sizes of potato can be selected accurately, untouched by human hand. Solid-state electronics eliminates the many mechanical parts found in conventional sizing equipment, says Loctronic.

The main advantages claimed for the machine, known as the Marketeer, are: minimal damage to the produce; throughput increased from eight to 12 tons an hour; few moving parts requiring maintenance; less space required in the building; and rapid computer-controlled changes of program for different sizes of potato.

A Loctronic Telemark closed-circuit television camera can be fitted to spot potatoes of poor quality. The Marketeer has been undergoing practical trials at Capper Farms, Fairnington, Kelso, Scotland, since December.

Pest control

A METHOD of pest control designed to reduce or even obviate many of the problems and costs of applying insecticides in industrial premises is now being marketed in Britain by the Gases Division of BOC (560 5166). It was invented by BOC's Australian subsidiary.

Called Pestigas, it is a pyrethrum-based insecticide supplied ready-mixed in a pressurised industrial gas cylinder with an inert propellent which is claimed to eliminate the fire hazard caused by some aerosol sprays. It is said to be safe to use near foodstuffs and can be applied during working hours.

It can be sprayed manually or incorporated into an automatic system, with the gas cylinders placed at strategic points in a warehouse or factory and flexible pipes fitted between each cylinder and a spray head. The system is then controlled by a time switch which can be set to emit the gas at selected times during the day or at night when the premises are empty.

When used manually, the gas is sprayed into inaccessible corners and cracks by a high-pressure gun connected to the cylinder. Both methods are claimed to ensure a more efficient application by producing fine droplets which remain in the air for a longer time.

One of BOC's Envrosols range, which use industrial gas cylinders as giant aerosol canisters, Pestigas is supplied in two sizes, 6 kg and 30 kg. These are claimed to be large enough to treat 1m cu ft and 5m cu ft of warehouse or factory space respectively.

Forge press

MANUFACTURING facilities at the Darley Dale, Derbyshire, plant of Firth-Derihon Stampings have been expanded to include a Rotaform orbital forging press. Advantages offered by this machine are said to be considerable.

The new press is said to produce forgings to closer tolerances than could be achieved by conventional methods and this results in savings in materials and machining times. In some cases, it is stated, machining processes can be eliminated.

The machine is basically an upstroking hydraulic press in which the upper die rocks in a circular pattern and deforms the billet (the piece of metal being shaped) progressively. It was supplied by B. & S. Massey of Openshaw, Manchester.

As a result of the progressive deformation of the billet the machine can produce precise components from difficult materials and it is claimed that its greater accuracy enables the production of parts not usually regarded as suitable for production by the forging process.

The Rotaform machine at the Darley Dale plant produces forgings up about 6 inches diameter and weighing up to 6¼ lb.

Dicing machine

A U.S.-MADE dicing machine claimed to produce clean, uniform pellets from all types of plastics materials, is now being marketed in Britain by Accrapack Systems (092 575 4994). Known as the D & S dicer, it can operate at material throughput rates from 40 to 165 ft/min and produce pellets of cubic or octahedron shape.

The speeds of the bottom-feed roll and the cutter head are synchronised to ensure constant cut-off length and consistent pellet quality. When small, refined pellets are required the unit can be used to make a saleable product. It can also be adjusted to produce larger pellets to meet internal master-batch requirements.

Only the cutter and bed-knife need to be changed to produce pellets of different size.

Because of the one-piece cutter design a complete changeover can be carried out in about half an hour, says Accrapack. The overall dimensions are 35 in by 58 in by 77 in high. A pivoting pendant push-button console is designed to allow ease of positioning for machine control.

Cable TV

DESIGNED for cable television applications, where the benefits of optical transmission are substantial, a new range of pulsed frequency modulation (PFM) fibre-optic modules has been introduced by ITT Opto-Electronics, Leeds LS13 3HA (0532 577261).

The advantages over coaxial cable include longer transmission distances and lower noise intrusion, says ITT. The use of PFM also permits higher quality links to be achieved without the need for good source linearity, it adds.

The transmitter module source may be either a high-radiance light-emitting diode (LED) or an edge-emitting LED (ELD), which can be interchanged without the need for re-characterisation. There is minimal distortion from either fibre dispersion or modal noise, it is claimed.

Normally, a 50-micron core-graded index silica fibre-optic cable is fitted between the modules and the optical path loss is said to be typically 21 decibels at 57 decibels signal-to-signal noise ratio. Optical input/output correction is possible using the OCN101 connector in conjunction with an ITT jewelled ferrule. The operating temperature is 0-50 degrees C.

The transmitter and receiver modules are now being tested by British Telecom for possible inclusion in a central antennae system at Milton Keynes, says ITT.

Anti-corrosion

FOR USE on car and lorry chassis, engines, components and other ferrous parts, a new water-based anti-corrosion primer finisher has been introduced by Blundell-Permoglaze (021 706 2861).

The company claims that after extensive development work it has produced a semi-gloss paint which avoids most of the problems of toxicity, flash point and odour found with solvent-based products, saves money by obviating the need for expensive solvents, and permits spray-painting to be carried out safely in an open-shop environment.

Besides application by conventional spraying methods, the paint can be applied by airless spray, dip, flood-coating and certain types of electrostatic spray, B-P adds. Air-drying in about 10-15 minutes at 15-20 degrees C can be expected.

Under test it is claimed to show a high resistance to solvents and petrol. It has successfully resisted 96 hours of hot salt spray and a 96-hour water soak, says B-P.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

Poster industry brushing up its image

BY DAVID CHURCHILL,

WITHIN THE NEXT few days, the Monopolies and Mergers Commission will hand John Biffen, the Trade Secretary, its report on roadside advertising in Britain. The report, which has taken two-and-a-half years to prepare, is likely to be published late next month and could recommend a number of significant changes in the way poster sites are bought and sold.

Normally, such a report *would have had the poster* industry in jitters, especially as it may have threatened the stability that has emerged after two decades of marked change. But these are not normal times for the poster industry, and its stability has already been upset this year by Mills and Allen's decision to part company with one of the industry's major trade associations.

The problem at present for the poster contractors is that poster advertising—because of the long-term commitment that is usually asked of advertisers—is probably one of the more vulnerable sectors of an advertising industry that until now has weathered the recession surprisingly well.

On top of this, the contractors now face a 30 per cent cut-back in tobacco advertising over the next year as a result of the recently concluded voluntary agreement between the Government and the tobacco companies. In addition, similar *restrictions on drinks* advertising could soon be sought as pressure mounts to find ways of reducing the rise in alcoholism, especially among young people.

At the same time, demand for posters looks likely this year to be slacker than in recent times, although inflation will certainly boost the £70m or so currently spent on posters by advertisers. Equally, advertisers are seeking greater cost-effectiveness and sophistication from their poster campaigns.

Improvements already made by the contractors in marketing their sites (allied to the consumer boom of the late 1970s) has led to demand for posters far outstripping supply in recent years. Last year, however, the bubble started to deflate, albeit slowly.

Grahame Owen, managing director of British Posters, says that 1981 got off to a slow start but that demand picked up about a month ago. He says that one major difference this year has been the reduction in lead-times for booking posters. Advertisers are now far less willing to commit themselves until the last possible moment.

Harold Williams, chief executive of the London and Provincial Poster Group, also says that "business is holding up well at present," although he has also noticed the trend for advertisers to make later buying decisions. On the other hand he remains fairly optimistic about prospects for the rest of the year, especially if the economy *shows signs of picking up.*

The immediate problem facing the industry is the Monopolies Commission report. Reasons for the launch of the investigation (in the autumn of *1978) were not immediately* apparent at the time. The cynics suggested that the investigation owed much to the then-current Saatchi and Saatchi election campaign for the Conservative Party under the theme 'Labour Is Not Working'—the slogan surmounting a picture showing an endless queue of unemployed people.

In reality, there was some justification for the investigation, considering the substantial *structural changes in the* industry since the 1960s, when the poster industry comprised nearly 700 small family businesses each selling space with varying degrees of dominance in different towns.

As advertising boomed along with rising living standards, so the industry began a series of mergers and rationalisations that eventually resulted in the emergence of two major contractors, Mills and Allen, and London and Provincial, as well as a number of smaller but still significant concerns.

Yet planning and buying a *poster campaign was still* extremely difficult for advertisers, so that in 1966, some 35 contractors came together as a consortium to sell packages of specific sites for specific *campaigns.*

By 1971, this consortium had evolved into British Posters involving eight (now ten) of the largest contractors — including Mills and Allen, London and Provincial, More O'Ferral and British Transport Advertising.

British Posters offers packages of pre-selected sites offering balanced coverage for advertisers. The sites supplied by its members account for some 54,000 of the 180,000 *poster sites in Britain.*

Given the move towards greater concentration in the industry over the past two decades, the poster business was clearly a legitimate target for investigation by the Monopolies Commission. The fact that only roadside advertising was included in the terms of reference was largely due to an attempt to limit the Commission's workload, as well as acknowledge that most transport advertising is in the hands of nationalised industries, but it is understood that the Office of Fair Trading, which *referred roadside advertising* to the Commission, had received complaints about some of the restrictions operated by the major contractors.

Once the report is published by the Government, it is ususally left to Gordon Borrie, Director General of Fair Trading, to seek a voluntary implementation of the Commission's recommendations. In the final analysis, however, the Trade Secretary has the statutory powers to force the recommendations through.

Release of the Monopolies Commission report will almost coincide with the start of the cut-backs on tobacco advertising on posters. The agreement between the tobacco industry and the Government says that the companies will "limit spending on cigarette poster advertising in the 12-month period from August 1, 1981, to July 31, 1982, to 70 per cent of the level (in the year) ended March 31, 1980, subject to agreed allowances for inflation." In addition, the companies were asked to reduce spending on posters by 10 per cent in the current year.

Such a cut-back, however, has not thrown the industry into the sort of panic a similar reduction would have made in the mid-1970s. Then, poster hoardings were dominated by advertisements for cigarettes, spirits and beer.

But over the past few years, poster advertising has attracted many new advertisers for products such as toiletries, clothing, do-it-yourself and food. Food, in fact, is the fastest growing product group in poster advertising, while major retailers such as Asda, Woolworth and SavaCentre have also started poster campaigns.

Tobacco advertising, however, still accounts for about a third of all expenditure on posters, with drink advertising accounting for about a fifth. Together, that gives the two categories more than half the market by value.

The 10 contractors that form British Posters, however, derive only 5 per cent of their poster expenditure from tobacco products, and another 24 per cent from drink. Food alone accounts for a percentage almost equal to that of drink and tobacco together.

Even so, the fact that the poster industry has borne the brunt of the tobacco advertising cut-backs (the Press escaped virtually unscathed) is believed to be one of the reasons why Mills & Allen is seeking to create a stronger voice for the poster industry. It has decided to pull out of the British Posters Advertising Association—which has no direct connection with the British Posters consortium—and instead to seek the formation of a new body representing all aspects of the industry.

However, Mills & Allen's plans depend greatly on whether other contractors, especially London & Provincial, are prepared to join its bandwagon. Harold Williams of London & Provincial agrees that there should be one association working for the interests of outdoor advertising as a whole. *But whether this means* backing Mills & Allen's proposals may hinge on meetings within the industry to be held later this month.

Advertisers are seeking greater cost-effectiveness and sophistication from their poster campaigns.

Breakaway poses £20m question mark at CDP

BY MICHAEL THOMPSON-NOEL

IN A POTENTIALLY dramatic agency breakaway, Frank Lowe, former managing director of Collett Dickenson Pearce, has left CDP to form his own agency in collaboration with CDP's deputy managing director, Geoffrey Howard-Spink, and a clutch of top CDP creative stars.

The move is not unexpected, but poses a question mark against up to £15m—perhaps £20m—worth of Collett Dickenson business.

Two years ago, CDP reverted to private company status. At the same time, a new company 75 per cent owned by Hambros, the merchant banking group, bought CDP for £3.9m cash. The other 25 per cent is owned by CDP directors and executives.

Although he resigned as CDP managing director in September 1978, Mr. Lowe continued to act as a CDP consultant and as account director on six prime accounts: Whitbread, Olympus Cameras, Birds Eye, Fiat, Lancia and Parker Pen.

They are not his "property." But the relationship between Mr. Lowe and his clients is an intensely personal one, and it is assumed that some of them will depart CDP and join the new agency.

In addition, Mr. Howard-Spink, who is joining Mr. Lowe, has supervised CDP's work on Cinzano, Clark's Shoes, Mary Quant and Wrangler, between them worth approximately £5m.

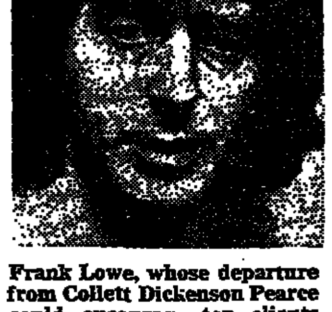
The breakaways have been joined by John Kelly, one of three CDP creative directors, and by three other top CDP creative men: John O'Driscoll, David Horry and Alfredo Mark Antonio. Campaigns for which they have been responsible include Fiat Strada, Parker Pen, Olympus and Heineken.

Collett Dickenson is Britain's sixth biggest advertising agency. Billings last year were £60.9m. It is the leading prize-winner on the awards circuit, and one of only four British-owned agencies in the UK Top Ten.

At 38, Mr. Lowe is one of the key figures in British advertising. It has been suggested that his account-handling fee at CDP was 1 per cent of billings handled for a personal income estimated at £150,000.

"*That's not the correct* figure," he said yesterday. Would he say what it was? "No. It's rude to discuss money."

Etcetera



Frank Lowe, whose departure from Collett Dickenson Pearce could encourage top clients to follow him. CDP, Britain's sixth biggest and most award-laden agency, says it expects "some losses."

Prospects for the new agency were "intensely exciting," Mr. Lowe said yesterday.

John Salmon, the CDP chairman, said the move was not unanticipated, and that he expected that the agency would sustain some losses.

"To lose four top creative people is a blow. It's not good. I have talked to a number of clients. As yet, none of them have indicated any course of action."

When he resigned as CDP group managing director in September 1978, Mr. Lowe said the move was in no way related to then-impending Inland Revenue proceedings against Collett Dickenson Pearce International; its then-chairman, John Pearce; CDP and Partners; Mr. Lowe himself, and three others.

Last November, fines totalling £115,500 were imposed at the Old Bailey for a PAYE and personal benefits fraud conspiracy involving CDP that cost the Revenue nearly £250,000 in lost tax.

At the time of his resignation as managing director, Mr. Lowe *said he was an advertising man,* not a manager, and would "do the job of advertising better if I relinquish the dull fodder of management."

He said he had 19 years to go until retirement at 55. "Unfortunately, people can't credit that if you've become managing director of a company like this, you might want to turn around and do something different.

"But it will change. There's a generation of younger managers in Britain who will increasingly *decide to do* something different with the second half of their lives."

He said he had had a good run—that CDP had been "built into the best creative agency in London. We've demonstrated that you can resign clients without fear. We've demonstrated that you can refuse to pitch for business without fear. And it was we who found ourselves fighting the unions virtually single-handed."

Since the agency's troubles with the taxman, both Mr. Lowe and it have thrived, its reversion to private company status, in particular, having silenced the siren call of suitors and guaranteed its UK ownership.

The move, said Mr. Salmon at the time, would also guarantee the independence and character of the agency's creative work.

Billings last year were £60.9m against £55m the previous year. Main gains last year included Polygram Records, Wrangler, Lancia, an extra £1m worth of Whitbread and Gallaher Sovereign King Size, though it lost EMI, Fine Fare Superstores, Vingresor and £1.25m worth of Carnation Foods.

● ADGROUP, which includes Roles and Parker, is joining the Charles Barker Group. Roles and Parker is described as Europe's leading industrial advertising agency. Associated Adgroup companies specialise in industrial PR, exhibitions, house journals and recruitment advertising. Adgroup's current income is said to be the equivalent of approximately £15m worth of billings; it employs 230.

● OGILVY AND MATHER says it is currently the fastest-growing UK Top Ten agency in the billings lists prepared by Media Expenditure Analysis. Ogilvy's latest MEAL total was £48.4m, against £63.6m for J. Walter Thompson, £61.7m for Saatchi and Saatchi Garland-Compton, £60.2m for Masius, and £49m for McCann-Erickson.

LOMBARD

The missing half million

BY PETER RIDDELL

THE UNEMPLOYMENT marchers trudging slowly from Liverpool to London have a point but it is not the obvious expansionist one they are trying to make. All the concentration on the total of 2½m unemployed in the UK distorts—and significantly understates—the true size of the changes occurring in the labour market.

The problem is that most popular discussion focuses on a snapshot—a count of those registering as unemployed on a particular date each month—when in practice the labour market is much more like a moving picture with a constantly changing cast. The snapshot view produces two main fallacies—first that the labour market is somehow static at present and, second, that in the short-term it is only the demand for and not the supply of labour that changes after taking account of population movements.

On the first point, the Manpower Service Commission's review and paper to the National Economic Development Council (debated yesterday) estimate that the total number of hirings last year probably exceeded 7m.

On the second point, what actually happens is that both the demand for and the supply of labour change in the short term. Indeed, given the extent of the shake-out of the last two years, the surprising feature is that the rise in unemployment has not been even larger.

Retirement

There is a big hole in all the labour market calculations. Between the middle of 1979 and the end of last year employment dropped by 1.14m. Over the same period registered unemployment increased by just over 850,000. Yet the number of people of working age has been rising by between 150,000 to 200,000 a year. This implies that over 500,000 people have disappeared from the labour force without seeking work.

The explanation is mainly that the narrowing of job opportunities caused by the recession has encouraged earlier retirement among men and discouraged many women (especially with families) from seeking work. In addition, the upturn in the birth rate has reduced the female labour supply.

It is a matter of fine judgment whether one adds these missing workers to the registered unemployment figure to give a grand (super-headline) total of those who do or might want work if jobs were available. There are certainly no problems pushing the figure well over 3m.

These trends suggest that the labour market is much more fluid than is commonly assumed, that the supply of labour adjusts in part to the demand and that forecasts about the future level of unemployment may be wrong.

Projections

The current issue of the Department of Employment monthly gazette includes projections of the possible size of the labour force depending on different assumptions about the level of demand as expressed in terms of unemployment. The central projection suggests that the proportion of the population of working age either in employment or looking for work (the activity rate) will decline only fractionally over the next five years. But this percentage has fallen markedly, and unexpectedly, in the last four years and this could happen again.

A further contraction may even be desirable. Indeed, if the squeeze of the last two years has resulted in a major reduction in overmanning and a productivity breakthrough, the upturn in output may not boost employment, resulting in the "jobless prosperity" discussed last week by Samuel Brittan.

Barriers to movements both in and out of the labour market need to be removed. There is nothing obviously *good* or *fair* about requiring a man over 55 or 60 to continue to work merely *because* earlier retirement often involves a big reduction in pension rights. Similarly there is no obvious reason why parents (of either sex) should be required to opt for full rather than part-time work when they want to bring up families. What the marchers should be campaigning about is greater flexibility in employment conditions and a reduction in restrictive practices.

Three banks and a sorry customer

BUSINESS AND THE COURTS

BY AVIVA GOLDEN

IN A DISPUTE between a bank and its customer, the customer rarely wins. His chances are even less if his dispute is with two banks. As Royal Products, a Maltese company discovered when it twice sued a local bank in Malta, and then the Midland Bank with the Bank of Valetta (formerly National Bank of Malta—and hereafter referred to as "National") as third party in the High Court in London.*

Royal lost again, and its legal costs must have added up to a good deal more than the £13,000 which it lost in the first instance. It must have felt very bitter, not entirely unjustifiably, even if the banks, as Mr. Justice Webster found, proceeded quite correctly and certainly within *the law*.

The story is simple. Royal maintained accounts with three banks, the Midland in London, the National in Malta, and the Bank of Industry, Commerce and Agriculture (BICAL), also of Malta. The events which were subject to so much litigation started with Royal's instructions to Midland to transfer £13,000 to its account with BICAL. The money was intended for Royal Products' account with National, but for some reason it was cheaper to send it through BICAL. This was apparently a routine operation but this time Midland did not send the money directly but instructed National, its correspondent in Malta, to pay BICAL.

National knew that BICAL might be on the verge of collapse. It tried to persuade Royal Products to alter its instructions but did not feel free to disclose what it knew about BICAL's position. Without this knowledge, Royal saw no reason for changing its plans.

National, which normally sent the money straight to BICAL, this time placed the £13,000 received from Midland on a suspense account, notified BICAL and persuaded, or at least allowed, this failing bank to pay, on the same day, a creditor who was National's customer.

Royal Products contended in the first place, that its instructions had never been carried out, so that it was entitled to the return of the £13,000. However Mr. Justice Webster thought that the operation was simply an authority from a customer to his bank to transfer funds to another bank which implied that the latter bank was authorised to receive them. No consent to the receipt of the credit could be expected.

The funds had to be made available to BICAL in one way or another, and the latter had only to be notified that the sum was to be credited to Royal Products' account, as was done in this case. Nor could any doctrine of strict compliance apply to the instructions that would allow Royal Products to contend that they had not been complied with at all. BICAL, in fact, was able to draw upon the credit from the time that it was notified of it.

Royal Products' second argument raised the question of the responsibilities of a correspondent bank. It contended that National was its agent, owing Royal a fiduciary duty for the breach of which Midland was liable. But the judge concluded that while it was clear that Midland owed Royal a duty to use reasonable skill and care, and that it would be vicariously liable to the company for any negligence on National's part, National itself owed no duty of this kind directly to Royal Products. No privity of contract existed between them, so that National did not owe to Royal the duty owed by an agent to his principal.

This reasoning disposed of what seems to have been the hard core of Royal's complaint: that National turned the knowledge of the remittance to its own advantage by encouraging BICAL to make good its default to another customer via the suspense account. This complaint hinged on the contention that National, as agents of the Midland, was in breach of a fiduciary duty to Royal Products, and it failed with this contention.

This, however, did not dispose of Royal's case. Besides being Midland's correspondent in Malta, National was also Royal's banker. *Was the payment out of the suspense account to BICAL's creditor in direct breach of National's duties to Royal Products as its own customer?* In answer, Mr. Justice Webster held that, although it might have been *in National's* interest that BICAL should make good its default to another of its customers, it regarded the money as BICAL's, to deal with as it liked; it regarded the transaction as in the interests of the banking community generally, and it thought then that BICAL would continue in business.

Thus, no breach in any other duty occurred as a result of this payment—neither to Royal as its customer nor to Midland as its principal. *Royal tried to put* the question in a different way. Was the National a constructive trustee for the remittance? And was it fixed with liability for having given BICAL assistance in breach of trust? Again, the answer was that this argument could not be sustained.

Another wider question raised by Royal concerned the behaviour of a banker who knows that the beneficiary of his customer's remittance is *about to collapse, but* must not disclose this information to the customer. Should National have not put the money into a suspense account when it knew of BICAL's liquidity problems? Normally, by the end of the day, in accordance with banking practice, instructions have to be carried out. The judge found that in this case the suspense account was a proper procedure.

National even attempted to persuade Royal Products to change its instructions, but did not divulge the reasons for this advice because of the confidential nature of BICAL's position. By the time it had completed Royal's instructions by notifying BICAL of the credit, National had every reason to expect that BICAL would be open for business the following day, after all. Royal Products insisted that National should have at least retrieved the credit and had failed in its duty to exercise due care by not doing so, but the judge found that the transfer was complete and *could not be reversed by the* time BICAL's operations were suspended.

Royal was on somewhat firmer ground when based on *Official Assignee of Madras*, a 1910 precedent† it argued that because the money was placed in a suspense account, it never ceased to be its money and remained its property in respect of which National owed it a fiduciary duty. Mr. Justice Webster thought the present case was different from the Official Assignee of Madras. The intended beneficiary here was Royal Products itself, which was a customer both of the paying banks and of BICAL, the ultimate payee bank.

Moreover, the remittance was not made from a distinct fund lodged with the Midland, but was a transfer of part of the amount standing to Royal Products' credit in its account with the Midland. Such a fund, in ordinary banking practice, is not treated as the customer's money. Rather, *it is considered* as money lent by the customer to the bank which may use it in any way it chooses.

The money in the suspense account, therefore, ought not to be regarded as belonging to Royal Products. And even if it could be so regarded, no fiduciary obligation existed, as we have seen, for other reasons. Heads or tails, Royal was bound to lose, for the third time.

** High Court, London, Q.B., Royal Products Ltd. v. Midland Bank Ltd. and Bank of Valetta Ltd. Judgment February 16, 1981, unreported.*

† Official Assignee of Madras v. D. Rajam Ayyar (1910) 33 I.L.R. (Madras Series), 229, and 36 I.L.R. (Madras Series), 499.

Mrs. Aviva Golden is a barrister and a law reporter.

Sea Chimes can win at Chester

RACING

BY DOMINIC WIGAN

SEA CHIMES, who was almost certainly feeling the effects of *a busy early season campaign* when beaten by Ela-Mana-Mou, Hello Gorgeous and Gregorian in the Coral Eclipse last summer, reappears at Chester today.

I shall be surprised if the Gulf Pearl chestnut fails to lift the Ormonde Stakes.

Sea Chimes, who was attempting a ninth consecutive victory when sent to Sandown where he sustained a wrenched joint which was to put him out of action for the remainder of the season, had previously established himself as a top-flight performer in the Coronation Cup.

Dictating the pace in that event from the outset, Sea *Chimes established* a clear lead turning into the home straight and from that point was never threatened. The Arundel five-year-old, eased by Piggott close to home, passed the post with 2½ lengths in hand of Niniski, who got up close to home to take second place off the St. Leger runner-up, Soleil Noir.

Although Sea Chimes has yet to tackle a trip beyond 12 furlongs, it will come as a disappointment if today's extended mile and five furlongs sees his undoing.

He is given a reasonably confident vote over Pelerin, who may be hard-pressed to confirm John Porter Stakes superiority over Son Fils on 8 lbs worse terms. At Newbury, Son Fils finished only fourth behind Pelerin.

However, he was beaten little more than 2½ lengths there by the Wragg winner after looking distinctly backward in the preliminaries.

Despite the absence of a high ranking Derby candidate in the Dee Stakes field, the 10-furlong event could supply a classic pointer or two for O 'Brien, Balding, Harwood, Hern, Hills and Wragg all of whom are represented.

Backers may be best advised to row in each way with Ian Balding's Junta. This colt was running on as well as any behind Noalto over an inadequate trip at Kempton recently.

CHESTER

2.15—Recline
2.45—Sea Chimes**
3.15—Melon Patch
3.45—Junta

SALISBURY

2.30—Gin Game*
3.00—Florida Girl***

TV/Radio

† Indicates programme black and white

BBC 1

6.40-7.55 am Open University (UHF only). 9.00-11.50 For Schools, Colleges. 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill At One. 1.45 King Rollo. 1.50 Bric-a-Brac. 2.00 You And Me. 2.15-3.00 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (As BBC2 11.00 am). 4.20 The Perils Of Penelope Pitstop. 4.40 Heidi. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 The Amazing Adventures of Morph.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
8.00 Are You Being Served?
8.30 Butterflies.
9.00 News.
9.25 The Chinese Detective.
10.15 Question Time.
11.18 News Headlines.
11.20 Kojak.

All Regions as BBC-1 except as follows:—

Cymru/Wales — 5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 12.10 am News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 8.30-9.00 The Current Account Report. 12.10 am News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 12.10 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North East (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.00-4.00 Racing from Chester.
4.50 Open University.
6.35 Cartoon Two.
7.05 Mid-Evening News.
7.15 Delia Smith's Cookery Course.
7.40 Jonathan Miller Directs.
†8.30 Battlefront: "The Foreman Went To France," starring Tommy Trinder.
9.55 Man Alive.
10.45 Newsnight.

BBC-2 Scotland Only: 10.30-11.00 am, 11.25 am-12.30 pm and 2.45-4.35: Conference '81: coverage of the Scottish Conservative Party Annual Conference.

LONDON

9.30 am For Schools. 12.00 am Woofits. 12.10 pm Get Up and Go! 12.30 The Television Programme. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Take The High Road. 2.00 After Noon Plus. 2.45 The Winter Ladies. 3.45 Look Who's Talking. 4.15 Five Magic Minutes. 4.20 Little House On The Prairie. 5.15 Emmerdale Farm. 5.45 News.

6.00 Thames News.
6.25 Help!
6.35 The Six Million Dollar Man.
7.30 The Kenny Everett Video Cassette.
8.00 The Morecambe and Wise Show.
8.30 TV Eye.
9.00 Funny Man.
10.00 News.
10.30 Coronation Street.
11.00 Thames News Election Special.
1.30 am Close.

All IBA Regions as London except at the following times:—

ANGLIA

1.20 pm Anglia News. 4.20 Tarzan. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Benson. 10.30 Snooker (Tolly Cobbold Classic). 11.00 A Place in the Sun. 11.30 240 Robert. 12.30 am Themes.

ATV

1.20 pm ATV News. 4.20 Vicky the Viking. 4.45 Salvage 1. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 11.00 Contrasts. 11.30 ATV News. 11.35 Election News Special.

BORDER

1.20 pm Border News. 3.45 Andy's Party with Andy Stewart and guests. 5.15 The New Fred and Barney Show. 6.00 Lookaround Thursday. 6.35 *Crossroads*. 7.00 *Emmerdale Farm*. 11.00 A Place in the Sun. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where and weather. 6.00 Chanel Report. 6.35 Crossroads. 7.00 Some You Win . . . 10.28 Channel Late News. 10.34 Paris by Night. 11.00 A Place in the Sun. 11.30 News and weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 5.10 Police News. 6.00 North Tonight. 6.35 Crossroads. 7.00 A Place in the Sun. 11.00 Soap. 11.30 Sounds Gaelic—music and song with a Gaelic flavour. 12.00 North Headlines.

GRANADA

1.20 pm Granada Reports. 2.00 Silver Wedding. 4.15 Hey, It's My Birthday Too! 4.20 Voyage to the Bottom of the Sea. 5.15 The Addams Family. 6.00 Granada Reports on the Road. 6.25 This Is Your Right. 6.30 Crossroads. 7.00 Emmerdale Farm. 11.00 Granada Reports Election Special. 11.05 What The Papers Say. 11.25 Granada Reports Election Special. 12.15 am A Place in the Sun.

HTV

1.20 pm HTV News. 2.00 Here Today. 5.10 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Happy Days. 7.00 Emmerdale Farm. 10.28 *HTV News*. 11.00 *A Place in the Sun*. 11.30 Fireside Theatre.

HTV Cymru/Wales—As HTV West except: 9.30-9.45 am Cymru a'r Mor. 12.00-12.10 pm Owain a'r Olion. 4.15 Brendon Chase. 4.45 Ser. 5.15-5.20 The Enchanted Horse. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.30-11.30 All Kinds of Everything live from HTV's Studio One in Cardiff.

SCOTTISH

1.20 pm News and road and weather. 1.30 Square One. 5.15 Tales of Crime. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Action Line. 6.30 Mr. and Mrs. 7.00 Take The High Road. 10.30 Preview—This Afternoon in Belfast. 11.00 Scottish History. 11.20 A Place in the Sun. 11.50 Paris by Night. 12.20 am Late Call.

SOUTHERN

1.20 pm Southern News. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 11.00 A Place in the Sun. 11.30 When the Vote Comes In: The County Council Elections. 12.00 What The Papers Say.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 4.20 Fantastic Four. 4.45 Tarzan. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 Soap. 11.00 Beyond Westworld. 11.50 North East News and Election Results. 12.00 A Place in the Sun. 12.30 am Why Are You Afraid?

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 4.20 Call It Macaroni. 4.45 Schools Challenge. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster weather. 10.30 Family Matters. 11.00 A Place in the Sun. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 6.35 Crossroads. 7.00 Some You Win . . . 10.31 Westward Late News. 10.34 Paris by Night. 11.00 A Place in the Sun. 11.30 Faith for Life. 11.35 West Country weather and shipping forecast.

YORKSHIRE

1.20 pm Calendar News. 4.20 Jason of Star Command. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 11.00 Calendar Carousel. 11.30 Calendar Local Election Special.

(S) Stereophonic broadcast
‡Medium wave

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell. 7.00 Wheels with Dave Lee Travis. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 David Hamilton (S). 2.00 pm Ed Stewart's Request Show (S) including Racing from Chester. 4.00 Much More Music with David Symonds (S). 6.00 John Dunn (S). 8.00 Country Club (S). 9.00 Alan Dell with The Big Band Sound (S). 9.55 Sports Desk. 10.00 The News Huddlines with Roy Hudd. 10.30 Star Sound Extra. 11.00 Brian Matthew with Round Midnight, including 12.00 News. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composers: Stenhammar and Wiren (S). 9.55 BBC Singers (S). 10.20 Beethoven cello and piano recital (S). 11.05 Milwaukee Symphony Orchestra (S). 1.00 pm News. 1.05 Bristol Lunchtime Concert (S). 2.00 In Repertory (S). 3.00 Bartok and Haydn (S). 3.55 BBC Northern Symphony Orchestra (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Talking About Music (S). 7.30 Radio Theatre 81 (S). 9.00 City of London Sinfonia, part 1 (S). 9.50 Words. 9.55 City of London Sinfonia, part 2 (S). 11.00 News. 11.05-11.15 Monteverdi Choir, Hamburg (S).

VHF only—Open University: 5.55-6.55 am and 11.15 pm-12.35 am

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.35 The Living World. 10.00 News. 10.02 Policing the 80s. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Can You Learn To Be A Healer? 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1981 (S). 12.55 Weather; Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.00 The Laughtersingers. 4.15 Bookshelf. 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping forecast. 5.55 Weather; Programme news. 6.00 News. 6.30 Any Answers? 6.55 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Two Unfinished Symphonies, part 1 (S). 7.55 They Called Me Cassandra. 8.10 Two Unfinished Symphonies, part 2 (S). 9.25 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News and 10.15 Countdown to the County Halls. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.0-1.30 am Countdown to the County Halls, including News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.05 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Total Music Show. 2.30 Tony Blackburn. 5.00 News. 5.15 Music on the Move. 6.33 Openings. 7.03 Black Londoners. 8.03 Question Time from The House of Commons. 9.03 Evening Star. 10.03 The Plain Man's Guide to County Hall (results from the Greater London Council elections). 2.00-5.00 am Join Radio 2.

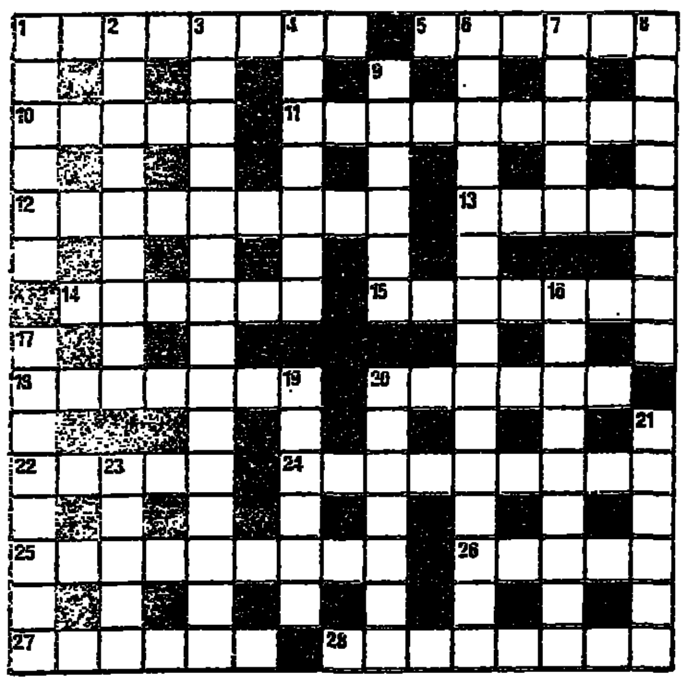
London Broadcasting

6.00 am AM: Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life. 9.00 Nightline. 11.00 Election Special. 2.0 am Night Extra. 4.00 The London Interview. 5.00 *Morning Music*.

Capital Radio

4.00 am The Early Show. 7.00 Mike Smith's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Mike Allen. 1.00 First Report. 1.10 Mike Allen. 3.00 Roger Scott. 6.30 London Tonight. 8.30 Nicky Horne. 10.30 John Sachs's Late Show. 12.00 Midnight Special.

F.T. CROSSWORD PUZZLE No. 4,562



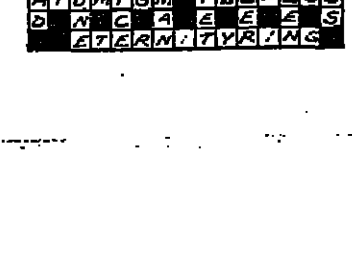
ACROSS

1 Mac not bound to go unpunished (4, 4)
5 Bullet sounds twice as stupid (6)
10 Bloomer beheading boss (5)
11 Small boy tied to pole of course (2, 7)
12 What gives most concern to parent at home with children (4, 5)
13 Cycled round wild-west show (5)
14 Sea food in quiet river found by one politician (6)
15 Self-contained female lightweight backing lively movement (7)
18 Number found in green? It varies (7)
20 Refusal fit for Christmas (6)
22 Ruin a composer (5)
24 Cat noticed you speaking to novel hero (3, 6)
25 Soldiers reckoned to be told (9)
26 Chap with skill on organ (5)
27 Admission to course (6)
28 Old Bob without Rolls left with no marks (8)

DOWN

1 Unctuous sergeant-major joins service (6)
2 Confess to being both unfashionable and trendy (3, 4, 2)
3 In order to present character with lack of vindictiveness (9, 6)
4 Relaxes in comfort to eat (5, 2)
6 Sick of being rained on (5, 3, 7)
7 Right to enter without feeling fear (5)
8 Mother's to take on academic old elephant (8)
9 A kiss scares, perhaps (6)
16 Broadcast before family staged event (5, 4)
17 Melody for church service (3, 5)
19 Refuse tea-break spin (8)
20 A different domain caught wandering (7)
21 Soldiers surround deserter for nothing (6)
23 Allowed London Transport to absorb large company (5)

Solution to Puzzle No. 4,561



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COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Tonight 7.30: ANNA KARENINA. Tomor 7.30: ARIADNE AUF NAXOS. Sat & Tues 7.30: BARBER OF SEVILLE. 104 balcony seats avail on day.

[illegible]

THEATRES

[illegible]

WHITEHALL. Box Off. Tel: 930 6692-7765. Credit Card 839 6975. Whitehall's Latest Farce ANYONE FOR DENIS? by JOHN WELLS directed by DICK CLEMENT. Starring JOHN CATER, NICHOLAS FARRELL, EDWARD FOX, JOHN NETTLETON, JOAN SANDERSON.

[illegible]

CINEMAS

[illegible]

ODEON LEICESTER SQUARE (930 6111). THE POSTMAN ALWAYS RINGS TWICE (X). Sep. Progs. Drs Open Sun-Sat 1.00, 4.15, 7.30. Late Night Show Fri & Sat. Drs Open 11.15. All Seats Bookable In Advance at Box Office or by Post.

ODEON MARBLE ARCH W2 (723 2011-2) CHARLIE CHAN & THE CURSE OF THE *DRAGON QUEEN* (A). REVENGE OF THE PINK PANTHER (A). Sep. progs. Drs. open dly 2.00, 6.30.

PRINCE CHARLES. Leic. Sq. 437 8181. British Premiere Presentation CALIGULA (X). Sep. perfs dly (inc Sun) 2.15, 5.30, 8.45. Late show Fri, Sat 11.55. Seats bkble. Lic'd bar.

STUDIO 4. *Oxford* Circus. 437 3300. Lic'd Bar. SUPERMAN II (A). Sep. Perfs Dly 2.15, 5.15, 8.15. Lte Show Fri & Sat 11.15. Seats Bkble.

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PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone 75981. Editorial: Frankenallee 71-81. Telex: 416052. Telephone 7598 236.

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THE ARTS

Lyric, Hammersmith

Total Eclipse

by MICHAEL COVENEY

Leonard Burt

Lynsey Baxter and Simon Callow

Rather like Joe Orton and his lover, Kenneth Halliwell, Rimbaud and Verlaine hankered after sun and sex in North Africa. Life with ease escaped the poets, however, and sunbaked ecstasy remained a mirage. However sensational Christopher Hampton's play may have appeared in 1968, when it was produced at the Royal Court, David Hare's exquisite and impeccable revival manages to project a love story devoid of coy historical blather, ripling with good scenes and good jokes. The theme of an artistic rivalry is handled with infinitely more care and tact than in something like *Amadeus*.

In *Amadeus*, of course, Simon Callow played Mozart as a foul-mouthed genius. The other night on television he enlarged his one-man portrait gallery with Shaw's Napoleon. For Hampton's Verlaine, he seems to have acquired extra poundage, flopping around in mounds of flesh after a good session with his wife, Mathilde, and aspiring to heavyweight roly-poly status as the alcoholic habitué of the Paris boulevards by the end. His voice covers the register from high-pitched whine to trumpeting baritone in splendid fashion; and, throughout, he is the vulnerable party on the European tour of bed-sits and cheap hotels.

From the first encounter with Hilton McRae's debauched cherub of a Rimbaud he is visibly star-struck. This makes Rimbaud's off-handedness all the more appalling. Following history, Hampton begins his story at just the right moment. Rimbaud arrives at the de Fleurville household with *Le bateau ivre* under his belt, scowling at Mathilde's parents and knocking over their furniture. Verlaine is newly married. Rimbaud offers himself on the grounds that if Verlaine is unfussy about whom he has sex with, why not try him?

The black surround of the production is invaded for each scene by a different neo-Impressionistic background by Hayden Griffin. These pastiches—Manet's "Absinthe Drinker" and "Bar in the Folies-Bergere" are beautifully invoked by actor and setting in the last scene—are supported by some tremendously intense string music by Nick Bicat. Shortly after Verlaine's hymn to the flesh, the stage swings round to show us Mathilde provocatively naked. Lynsey Baxter in blue stockings is doubly striking because of a piercingly high viola tremelo that links the scenes. With her fears of being interrupted by Mummy, she captures in one image that infuriatingly Romantic idea of the virgin whore.

It is a stunning moment, one of many that fleck the action with high-definition regularity. Verlaine punching the pregnant Mathilde earlier on is an outburst that seemingly comes from nowhere. In a bohemian café Rimbaud jumps on a table and urinates over a pompous poet whose tortured rhymes neither please nor instruct, let alone "change life" as he demanded poetry should. The Brussels shooting, again, emerges unheralded in the middle of another emotional fracas. But even that famous incident is less striking than pton's key invitation du —vfi Hampton's key invention of the young pretender stabbing Verlaine's hands when he should (as he does after his death in a final dream sequence) have kissed them.

There are some astonishing speeches, none more so than the one in which Verlaine recounts how he discovered his mother's first three miscarried children bottled in jars in a bedroom cupboard. This speech is all the more shocking for its leisured detail; these puckered people under glass were dusted by Mother every Thursday. In all, a wonderful revival does full justice to one of the best plays of its generation.

The University Church, Oxford

The Return of Ulysses

by RONALD CRICHTON

For the major production this year, the Oxford University Opera Club is deserting the Playhouse for the University Church of St Mary's. The opera is Monteverdi's *Il ritorno d'Ulisse in Patria*, in a new edition by Professor Denis Arnold, the text translated by Anne Ridler. The OUOC's association with Monteverdi goes back to their earliest days, but this is their first *Ulysses*.

Withering cold (worse inside than out) and the usual discomforts apart, the church is a handsome, stimulating setting for the less intrinsically spectacular baroque operas. It would suit many modern "music theatre" works equally well. From a pew downstairs the sound of strings and harpsichords was full. Voices and words were clearly received when clearly projected. The more shy the singers were about this, the more the music receded.

The new edition is very simple, with string ritornellos, two harpsichords, and no Leppard or Harnoncourt embellishments. As long as voices and words were properly audible, attention was held so easily that one felt uneasy about having enjoyed, in their various ways, the more luxuriant versions. Seamus McGrenera, the producer, used a raised platform stage where the altar normally stands and a few steps. The three arches of the chancel screen formed a dignified backcloth. Economy imposed great simplicity. Gods and humans mingled, confusingly at times, on the same level. No doubt there was a good reason for not using the organ-loft as an upper level. One hoped against hope that Jove or Neptune would mount the pulpit.

The prologue, with two boy trebles valiantly piping and the allegorical figure of Love in the costume she was later to wear as Melanto, was obscure. So, because the deities' features were in darkness, was the colloquy between Jove and Neptune. Otherwise the lighting by Tim Ball was simple but pleasantly warm, helpful to the handsome 17th century stage-classical costumes of Steven Gregory, especially the simple ones like the saffron-coloured robes of the two girls who set the scenes and the voluminous beggar's cloak and wide-brimmed hat for the disguised Ulysses.

As the hero, William Pool was notably clear and vigorous in declamation. He woke up a performance initially sleepy and cold as if the singers were half frozen, which they probably were. What is more, aided by a Minerva (Helen Marple) and Telemacus (Philip Salmon) with similar virtues, he kept the stage awake. Clare Moll's Penelope—sad, dignified, with dark-coloured tone, was a little low-spirited for a heroine strong enough to endure so much. The Eumaeus of Julian Brown had fine moments and so, when his moment came, did Peter Crowe's Irus, less of a conventional comic glutton than usual and none the worse for that.

There was a feeling of thorough musical preparation: the phrases came naturally whether or not every word could be distinguished. Ensembles went well even when (as in the difficult episodes with the suitors) the vocal material was light-weight. The climax, when Ulysses strings the bow and slays the suitors, was tactfully managed, but what was Penelope doing on stage during bte monologue of Irus, apparently decking the suitors' corpses with their presentation jewellery? Tuesday's first night drew miserably few people. No doubt everyone, as usual, will flock to the Friday and Saturday performances. Wiser to go tonight (Thursday). Note starting time, 8.15.

Riverside Studios

Tres Marias y Una Rosa

by ROSALIND CARNE

Col. Pinochet may have laid a censorious hand over Chilean theatre, but four women and two men have, nevertheless, emerged with a spirited, funny and quietly radical slice of working-class life.

Female members of Taller de Investigacion Teatral began this project with direct research in Santiago's tapestry workshops. The workshops were established by the Catholic Church after the 1973 coup. They sell their products abroad, thereby providing employment for poor women. But times are hard, and the team's findings, dramatised by David Benavente, depict the fanciful schemes of Maruja and her three friends, trying literally, to make ends meet.

Should they break away altogether and sell their creations to a fancy boutique? This particular proposal all but splits the women, who re-unite at last in a heroic and hilarious effort to patch together a Last Judgment, a timely commission from the local chapel.

The invisible, threatening presence of husbands is felt throughout, culminating in a brilliant travesty of the wedding ceremony, on Maruja's front porch. Shifting hostilities and alliances are detailed with crystalline naturalism, and British audiences may welcome a rare glimpse on the other side of this little globe. Native-Spanish-speakers will delight in the colourful juxtaposition of formal address and startling Chilean obscenities. Those with less than a smattering of the local tongue will be sufficiently enthralled by the fine flamboyance of these virtuoso comedians.

The personalities are sharply drawn; Maruja (Luz Jiminez), holding the group together with her sound common sense; Maria Ester (Loreto Valenzuela), a would-be groover, complete with two black eyes, chewing gum and a fashionable European slouch; Maria Luisa (Miriam Palacios), picking out her wilder inspirations on a piece of patchwork; and the simpering, pregnant Rosa (Soledad Alonso), the baby of the group. The play is directed by Raul Osorio, and this week-long London run is the last leg of a successful world tour.

PHOENIX

Satyricon

by B. A. YOUNG

Anyone who has enjoyed reading Petronius's jolly little tales must be warned that what he can see at the Phoenix has hardly the same kind of polish. In fact it hasn't any polish at all. The adaptation by Peter Benedict and Peter Collins suggests a home-made revue at a third-rate gay club, except that the cast, all men, all reasonably young are not nude but little slips round their privates that conceal their pudenda but leave their bums exposed.

The object of each sketch seems to be to incorporate as much simulated sex as possible, usually homosexual sex, Petronius being what he was. What skill there was in the original telling is thus lost, and stories that I remember laughing at left me utterly unmoved. Mr. Benedict is also the director, so he must take the blame for the careless acting and the casual *mise en scene* that lets us see players not engaged walking about behind the set, even walking on to it to help themselves to some prop.

Messrs. Benedict and Collins are partners in the management too, and this emphasises an eternal truth that they will have to learn. Unless you have someone even halfway experienced to advise you, you will make a mess of it. *Satyricon* is the biggest mess I have ever seen in a West End theatre. I am not cross about it, I am just sorry.

New Sotheby's auction house

Sotheby's will open a new auction house in New Bond Street, in London, on Wednesday, May 13. The new building, in Bloomfield Place, just across the street from Sotheby's present entrance, was formerly part of the Aeolian Hall.

It will provide some of the finest facilities in Europe for the sale of books and manuscripts, coins, medals and jewellery.

The new premises will be inaugurated with three major auctions on May 18, 19 and 20, starting with books and manuscripts about food and wine from the library of the late Andre Simon.

Record Review

Brahms and Shostakovich

by ANDREW CLEMENTS

Brahms: Chamber Works. Busch Chamber Ensembles, Rudolf Serkin, Reginald Kell, Aubrey Brain. World Records SHB 61 (7 records).

Shostakovich: The String Quartets. Fitzwilliam String Quartet. Decca D188 D7 (7 records).

The Brahms collection must surely be the last substantial reissue of Busch recordings we can expect from the EMI archives. The core of the group's achievement — its Beethoven, Schubert and Brahms—is now available on LP; there may be isolated performances still to be transferred, but now attention must switch to CBS and to the discs made by the Busch Quartet in the United States during the years of the Second World War. Only two of those can be obtained at present.

This latest set ranges widely, but it is by no means comprehensive. Neither the string quintets nor sextets are here; there are versions of the string quartets Op. 51 no. 1 and Op. 67 but not Op. 51 no. 2, and of only two of the three violin sonatas. There are still more than enough treasurable performances, however. All but two of them — the G minor piano quartet and the B flat string quartet Op. 67—were recorded in the 1930s. The exceptions are post-war, when only the Busch brothers remained from the earlier recordings; Gösta Andreasson and Karl Doktor had then been replaced by Bruno Straumann and Hugo Gottesmann as second violin and viola.

In the B flat string quartet there are some suggestions that the golden days of the Busch Quartet were past. Adolf Busch was to die in 1952, three years after the sessions, and in only occasional passages does his violin tone have the burnished, infinitely supple tone and effortless articulation for which one remembers him. But the G minor piano quartet, recorded in May, 1949, is authentic Busch, and Rudolf Serkin's contribution is surely largely responsible.

Throughout the seven records Serkin's presence bulks almost as large as that of the Quartet. It is he who generates much of the tension in the Piano Quintet (recorded in 1938), extraordinarily alive to every possibility of extracting intensity and shaping the phrases of the slow movement quite unforgettably. (Lest one think that he could not repeat the miracle, Serkin was to record the Brahms quintet again with the Budapest Quartet, in a performance rivalling the present one.)

With his future father-in-law Adolf Busch, Serkin recorded the G major and A major violin sonatas in 1931 and 1932. Both demonstrate the virtues in Brahms of tempering classical restraint with the broadest possible romantic sensibility. Some may think the A major sonata suffers from undue strictness: the first movement's Allegro amabile marking is rather perfunctorily observed, and Busch seldom allows himself the indulgence of expressive rubato.

The A major piano quartet, the C minor string quartet—its slow movement a perfect example of the Busch's very individual *Innigkeit* — and the horn trio Op. 40 are all of the same vintage, recorded in a series of inspired sessions in September and November, 1932. The horn trio is quite marvellous; Aubrey Brain joins Busch and Serkin, and is consistently warm of tone. His entry in the slow movement is arguably the most magical moment in the seven-record set, while Busch's articulation in the finale, something between staccato and spiccato, is the precisely judged solution to the problem of maintaining its momentum.

The clarinet quintet is historically the most interesting item. There are few chances to hear Reginald Kell's playing, and it comes as a surprise to appreciate how straightforward and unmannered it was, without any excess of rubato or vibrato, pure and consistent, delivering Brahms's most cherishable chamber work with uncluttered poise. It is difficult to think of any recent release of chamber music, reisued or newly recorded, that contains anything like as many definitive performances; the transfers from 78s, thankfully, have been done superbly well.

The Fitzwilliam Quartet's Shostakovich recordings have gradually emerged over the last six years, and their compilation in a single volume is as welcome as it was inevitable. The Quartet's pedigree in this music is strong: they were responsible for the first British performances of Shostakovich's last three quartets (Nos 13, 14 and 15) and their interpretations had the composer's *imprimatur*. They had planned to spend a week studying with him in Moscow in September 1975; Shostakovich died a month before that. As it now stands this set of records is the only integral recording of the quartets; the box issued some years ago by EMI Melodiya contains just the Borodin Quartet's performances of Nos 1 to 13.

By and large the Fitzwilliam are faithful guides. If the later quartets are the more valuable, then it is mainly because they present a side of Shostakovich that can only occasionally be gleaned in other genres. None of the orchestral music for reasons rehearsed too often to bear repetition, looks inwards so consistently or so profoundly as the 13th and 15th quartets; nowhere else does he explore extremes of sonority and structural concision with as much clarity. The achievement of the Fitzwilliam in these spare works is very fine. The 15th quartet, a sequence of six linked movements all of them with an Adagio marking, is sustained without any sense of monotony; the instrumental solos that carry much of its emotional burden are carefully controlled.

It is when the music moves out of this circumscribed personal world that the shortcomings of the Fitzwilliam approach (minor though they be) are revealed. Austere expressions of sorrow are relatively easily conveyed, but to variegate the earlier quartets requires an extra element of fantasy. In common with several other first-class British quartets, the Fitzwilliam's performances sometimes suffer from an unwillingness to take risks, to live dangerously. The obsessive neuroses of the seventh quartet (built almost exclusively on the DSCH motif) would have been even more effective had the performance more obviously taken extremes; at several points elsewhere a greater dynamic range would have added to the group's expressive repertoire, and made an already impressive recording quality even more lifelike.

Yet it is hard to imagine how the versions of several quartets — Nos. 7, 11 and 12 especially — could be bettered. The set is undoubtedly the most important landmark in the Fitzwilliam's development to date; to devote themselves to what remains still a peripheral part of the string-quartet literature at such an early stage in their careers required great singleness of purpose. And for anyone still unsure of Shostakovich's stature, the 15 string quartets, all of them written in the last 25 years of his life, offer the most unified assurance.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1979							
4th qtr.	112.6	104.2	101	109.1	185.9	1,286	230
1980							
1st qtr.	109.9	100.1	100	110.2	158.6	1,379	193
2nd qtr.	106.6	96.8	98	109.2	164.3	1,498	159
3rd qtr.	102.9	93.2	84	108.9	170.3	1,699	120
4th qtr.	100.4	89.1	79	109.0	205.2	2,020	98
June	106.6	96.3	108	109.5	167.1	1,542	145
July	105.1	95.2	88	108.5	172.8	1,609	128
Aug.	102.5	93.0	89	109.6	157.6	1,697	120
Sept.	101.2	91.4	74	108.5	170.4	1,791	111
Oct.	100.9	90.3	76	109.7	179.1	1,893	100
Nov.	100.7	89.4	83	109.2	192.8	2,030	96
Dec.	99.7	87.8	80	108.4	236.0	2,137	99
1981							
1st qtr.						2,304	100
Jan.	98.3	87.1	88	114.0	177.6	2,228	104
Feb.	99.1	87.9		112.9	170.1	2,304	98
March						2,381	97
April						2,446	95

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1979							
3rd qtr.	105.3	96.4	132.4	95.0	105.1	100.2	21.0
4th qtr.	105.3	101.1	129.6	99.1	103.4	96.4	19.7
1980							
1st qtr.	104.4	101.0	123.5	98.8	56.4	92.2	13.3
2nd qtr.	98.1	96.2	123.2	93.1	93.9	85.6	15.3
3rd qtr.	96.9	95.0	117.1	91.2	78.1	82.6	125
4th qtr.	94.0	90.1	116.7	85.4	70.3	76.4	10.1
May	97.0	96.0	124.0	93.0	99.0	84.0	16.7
June	98.0	95.0	124.0	93.0	94.0	85.0	16.4
July	99.0	96.0	121.0	93.0	81.0	85.0	13.6
Aug.	97.0	95.0	116.0	91.0	80.0	85.0	10.8
Sept.	95.0	94.0	114.0	89.0	73.0	78.0	13.0
Oct.	95.0	92.0	116.0	87.0	67.0	76.0	11.9
Nov.	94.0	90.0	118.0	85.0	74.0	78.0	11.2
Dec.	93.0	88.0	117.0	83.0	70.0	75.0	7.1
1981							
Jan.	93.0	86.0	115.0	82.0	70.0	77.0	10.5
Feb.	94.0	84.0	118.0	81.0	78.0	78.0	11.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
4th qtr.	129.8	132.6	−775	−579	−152	103.5	22.54
1980							
1st qtr.	133.0	126.9	−388	+ 54	− 95	101.0	24.87
2nd qtr.	126.2	126.2	−320	− 88	− 11	103.4	28.15
3rd qtr.	125.1	118.7	+616	+870	−157	105.5	28.08
4th qtr.	126.5	111.8	+1,269	+1,885	+222	105.6	27.90
June	128.9	124.2	+ 15	+ 81	− 23	103.8	28.17
July	128.6	117.1	+303	+403	+ 98	104.3	28.27
Aug.	123.8	120.5	− 29	+ 72	+ 23	106.0	28.29
Sept.	121.9	114.8	+344	+429	+ 39	105.3	27.64
Oct.	124.5	106.3	+506	+711	+133	105.3	28.03
Nov.	129.4	114.6	+410	+615	+ 54	105.6	28.19
Dec.	125.7	114.5	+353	+559	+ 35	105.1	27.48
1981							
1st qtr.							28.34
Jan.	123.9	101.3	+742	+1,042	+210	106.4	28.39
Feb.	121.7	114.3	+314	+614	+231	105.1	28.43
March							28.21
April							28.07

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
4th qtr.	14.4	15.6	22.6	+2,977	839	1,959	14
1980							
1st qtr.	− 4.0	7.2	21.9	+1,725	634	2,049	17
2nd qtr.	− 1.5	10.7	23.3	+3,317	697	1,964	17
3rd qtr.	12.9	39.0	45.2	+6,889	1,090	1,933	16
4th qtr.	6.5	20.7	11.2	+3,494	1,253	1,790	15
June	− 4.9	13.7	28.8	+1,403	206	675	17
July	9.5	36.5	50.8	+3,718	340	663	16
Aug.	11.2	40.8	46.4	+2,139	307	613	16
Sept.	17.5	39.5	38.7	+1,032	443	657	16
Oct.	3.9	23.5	19.3	+1,164	520	629	16
Nov.	6.4	19.3	7.7	+1,446	285	558	14
Dec.	9.3	19.5	7.0	+ 884	448	603	14
1981							
1st qtr.	10.2	10.2	12.4	+2,091	1,081		
Jan.	7.8	13.0	10.1	+ 622	446	618	14
Feb.	13.0	8.6	12.8	+ 577	366	636	14
March	9.9	9.2	14.4	+ 892	269		12
April							12

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	88.5
1980							
1st qtr.	167.7	197.2	191.4	248.8	247.5	284.47	93.0
2nd qtr.	178.9	201.3	199.0	263.2	255.9	267.45	94.5
3rd qtr.	188.4	201.9	203.6	268.9	259.3	275.13	96.7
4th qtr.	193.3	203.3	206.1	273.9	260.7	269.25	100.2
June	183.7	201.1	201.0	265.7	275.9	267.45	94.5
July	185.1	201.7	202.7	267.9	259.9	273.57	95.6
Aug.	186.5	201.8	203.5	268.5	259.0	275.38	96.8
Sept.	193.6	202.1	204.6	270.2	259.0	276.44	97.6
Oct.	189.9	201.4	205.3	271.9	259.3	274.65	99.2
Nov.	192.6	203.4	206.2	274.1	260.0	270.56	101.1
Dec.	197.3	205.1	206.7	275.6	262.7	262.53	100.2
1981							
1st qtr.		213.7	212.2	280.4	268.7	257.79	101.2
Jan.	193.6	209.7	209.9	277.3	266.7	251.88	102.0
Feb.		214.0	212.0	279.8	268.9	259.93	102.5
March		217.4	214.8	284.0	270.6	261.56	99.7
April						258.61	99.2

* Not seasonally adjusted.

Festival Hall

Mozart/Bruckner

by DAVID MURRAY

On Tuesday the London Philharmonic played Bruckner's Fourth Symphony for Klaus Tennstedt, and György Pauk joined them for Mozart's A major Violin Concerto. An inspired evening, enormously satisfying: your critic finds himself glumly contemplating the alternatives of unbridled gush and a pose of dispassionate objectivity. To make a temperate start, it can be reported that the *Nozze di Figaro* Overture which opened the concert was taken with daredevil speed and lightness, but with no suggestion of mere virtuoso exercise. Rather, Tennstedt captured an effect of gossip in excited whispers, suppresed mischief, tender snatches broken off in haste — the essence of *Figaro's* first act.

Even the last of Mozart's violin concertos (five generally accepted, one or two more that are doubtfully Mozart's) is an early work. Mr. Pauk pretended to find no specious depths in it, and simply played it angelically. Every phrase spoke; the Adagio in particular was a marvel of unforced subtlety. There was no special show of brilliance, though Pauk used Joachim's bold cadenzas.

Anything less than Pauk's exemplary playing would have disappeared from mind after Tennstedt's extraordinarily fresh and persuasive account of the Bruckner Fourth. It began tremulous and a-tingle, and never thereafter slipped into the solid tread often assumed to be an unarguable feature of Bruckner style; in fact Tennstedt seized upon the old-fashioned "picturesque" aspect of the Symphony, setting its sylvan colours in bright relief —happy scene-painting that took nothing from the symphonic cogency of the music.

His pace was so flexible and alert to new ideas that it would have seemed daring had it not been so easily natural. The music sprang forward, paused in delight from time to time, and at last drove through to an exhilarating hubbub. No trace of ponderousness, nor any prettification; honest delight in a beautiful score, answered by faultlessly committed orchestral playing. Many of those who heard it must be dreaming now of a Tennstedt *Siegfried*.

St. John's, Smith Square

Wren Orchestra

by ANDREW CLEMENTS

The title page of the programme for Tuesday's concert by the Wren Orchestra carried the following legend: "The management reserve (*sic*) the right to change the programme at their (*sic*) discretion." And exercise that right it did. I went to St. John's expecting to hear Maurice Bourgue play Strauss's oboe concerto, but discovered Neil Black instead. The change was made without any not of apology or explanation. Mr. Black is a very fine player, but he is not the best oboist in the world; Mr. Bourgue is.

Yet all should not have been lost. Apart from Mr. Black's virtues, the Wren Orchestra's choice of works was clearly an effort to break out of the mould of box-office consciousness that has previously characterised many of their programmes: Strauss's oboe concerto was combined with his first wind sonatina and the overture and dance scene from *Ariadne auf Naxos*, and Brahm's A major serenade. But wind instruments need the most careful tending in St. John's; clarinets in particular flare unpredictably. Doubtless Howard Snell's choice of tempi for the sonatina was an effort to disentangle lines that otherwise would have dissolved into much. It was only partially successful, and the result was a ponderous, unilluminating account.

Elsewhere also the orchestra never quite came to grips with the problems of balance. The bass was always a muddy approximation, and the translucent orchestration of the Strauss oboe concerto was rendered in unsubtle primary colours. Mr. Black produced some fine things, not least his treatment of the short coda to the finale, the most authentic piece of rococo in the work; but some sticky passage-work elsewhere deprived the performance of some of its elegance, and none was contributed by Mr. Snell and the orchestra.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
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Thursday May 7 1981

The choice for France

THE MEN left in the race for the French presidency share a disability. If the incumbent, M. Valery Giscard d'Estaing, wins on Sunday, he will be beholden for his victory to M. Jacques Chirac's Gaullists. If the Socialist challenger, M. Francois Mitterrand, comes out on top, he will owe his victory in part to the Communists. He has made no secret of his wish to govern with their support. That must have profound consequences for France and for Europe.

Four years ago, M. Giscard d'Estaing appointed M. Raymond Barre to be his Prime Minister with the implied intention that he was to do for France what the late Prof. Ludwig Erhard did for West Germany. The play of market forces was to increase the efficiency of the economy: a regard for social needs was to keep it humane.

Protectionism

Much has been done along these lines. Publicly-owned enterprises were told to behave in a more businesslike fashion, even at the cost of having to raise prices. Though France has been firm against, for instance, Japanese motor exporters, protectionism has been kept within bounds. In particular the principle of free trade within the Common Market has been maintained, though France—like most other members—has not been above resorting to administrative devices to look after its own.

M. Barre's success has been mixed. France plunged into deficit on its current external account last year. Inflation has not been brought under control, and unemployment is up to 1.7m. As elsewhere in Europe, traditional industries such as steel and textile are in deep trouble. Others are at least wobbling.

It would be wrong to blame M. Barre's policies. A world environment of inflation and of repeated oil crises is explanation enough for what has gone wrong. But the economic difficulties are one reason—perhaps the main one—why M. Mitterrand has crept ahead of the President in the public opinion polls (which need not, of course, accurately predict Sunday's result).

M. Mitterrand has put forward an alternative programme put together from elements of classic socialist and Keynesian thought. Banking is to be nationalised. So are a group of leading industrial enterprises. By shortening the working week and reducing the retirement age, he hopes to create job opportunities. Higher public spending and better pay at the lower end of the scale are designed to increase demand. M. Mitterrand left no doubt during his television debate with the president on Tuesday that he sticks to that programme.

Should M. Mitterrand have his way, France will still have a mixed economy, but one with a pronounced socialist element. It will be far to the left of, say, West Germany under its Social Democratic chancellor. To achieve his aims, M. Mitterrand needs a National Assembly in which Socialists and Communists, with related smaller groups, command a majority. He has already declared his intention of calling elections to that end. Should they fail to produce the desired result, disrupting conflicts will be almost inevitable.

M. Giscard d'Estaing has been less specific about his plans. As the incumbent he can hardly pretend that root and branch reforms are needed. Moreover he can argue that in spite of unemployment many new jobs have been created. Like M. Mitterrand he needs a National Assembly to implement his policies, which means that he needs the Gaullists.

Rituals

It is widely accepted in Paris that, if victorious, M. Giscard d'Estaing will dismiss M. Barre. That would be less of a demonstration of no confidence in his economic policies, than a step in keeping with the political rituals of the Fifth Republic. None the less, though the basic line would remain unchanged, changes of emphasis are likely.

Under M. Mitterrand there would be more than mere changes of emphasis. The continued openness of the French economy and its exposure to the discipline of competition would best be served if M. Giscard d'Estaing were to carry the day.

Lessons from the Isle of Grain

AN ALL-BUT inexplicable demarcation dispute on an isolated construction site in Kent has convulsed the trade union movement for more than 18 months, almost causing a major split in the TUC and expending enormous quantities of senior officials' time and energy.

If, as now appears likely, the drama of the Isle of Grain power station is nearly ended, it is right to ask what this 18-months of nerve-grinding argument has been about, and what a settlement is likely to mean.

Cheap oil

The Isle of Grain was planned as a massive, oil-fired power station on which work began in 1971 when oil was still cheap, and which was to have been completed in January 1979. Two years and four months after that completion date, the station has one unit completed, has seen well over 2m man hours lost in industrial action while the 1970 price of £214.4m has leaped to more than £550m, an increase of which at least £64m at 1970 levels has been due to delays in the programme.

Can all this be ascribed to the shortcomings of the trade unions? Far from it. The decade in which Grain has inched towards a delayed completion has been punctuated by reports about large construction sites from the National Economic Development Office and elsewhere which have rehearsed a catalogue of management failures at every level.

In short, where management is weak and divided, where clients are impatient and uninvolved, then unions will try it on with surprising success. As Mr. John Baldwin, general secretary of the Amalgamated Union of Engineering Workers construction section told a management seminar last November: "The trade unions over the years have found you so easy. They applied pressure—not very much—and you conceded. If you didn't at first, you did later because the client forced you."

It has been a decade of sharp analysis and slack action and it is still far from clear if the industry has the will to resolve matters. However, it is at least arguable that the past 18 months on Grain have been productive of some modest achievements.

First, the Central Electricity Generating Board, its hand strengthened by a recession and by the obvious fact that oil-fired power stations were not what the nation most required, was able to convince at least some union leaders that the old ways had to change. In refusing, early in 1979, to continue sanction of the high bonuses paid to insulation engineers, or laggers—the CEGB estimates that six months' programme delay was attributable to disputes arising from these bonuses—it at once provoked a conflict and concentrated minds.

The engineering and electrical unions, whose members account for 70 per cent of Grain's labour, accepted new bonus ceilings and improved productivity targets. When the laggers, members of the General and Municipal Workers Union, did not, these other unions helped supply trainee laggers to take their place, provoking bitter scenes as the Bridlington principle (no union takes the jobs traditionally organised by another) was dramatically breached.

Those union leaders who breached it—notably Mr. Baldwin and Mr. Eric Hammond of the Electrical and Plumbing Trades Union—acted on the conviction that only by doing so could they save jobs and force change. Though attacked by the GMWU and TUC colleagues, they believe so still.

They have gained a large part of their point. The GMWU has forced its lagger members to accept the new bonus ceilings: once it did so, the way was clear for their return to the site after the numerous and complex attendant difficulties had been resolved. Grain now has, for the first time in a decade, a unified pay and bonus structure and thus much of the cause of past disputes has been removed.

More productive

For the CEGB, the lesson being drawn is that a hard stand gets trouble at first but resolution in the end. For the unions, the lesson driven home is that cosy arrangements with contractors to earn large "productivity" bonuses while passing on costs to the public client are now less likely to survive.

It must be hoped that some of these lessons are learned by unions and employers at national level, who last month failed yet again to conclude a large sites agreement — apparently within sight of success. If the Isle of Grain saga has injected a new sense of realism into a sector which has demonstrated a lack of it in the past then, damaging and absurd as it has often been, it may yet help.

TURKEY AND THE WEST

The stamp of the generals

By David Tonge, recently in Turkey

THERE IS a dilemma over Turkey. The country's key strategic position and commercial interests dictate that the West should continue to bankroll Turkey and the generals who seized power last September. But concern about the delays before democracy will be restored, at the type of democracy planned and at the treatment of the generals' prisoners is beginning to mount.

Two meetings are about to tackle these issues. Today governments belonging to the Organisation for Economic Co-operation and Development are due to hold a pledging session in Paris which could provide Turkey with \$1bn-\$1.2bn in crucial aid. At this meeting political developments in Turkey are unlikely to be debated, but next week in Strasbourg the Council of Europe will focus on these. It is to decide whether Turkey should continue to remain a member of the Parliamentary Assembly even though there is no parliament and its present delegates' terms have expired.

So far, these two different approaches have been kept separate. But the indications are that in the future they may be increasingly linked. Four weeks ago Herr Hans-Dietrich Genscher, the West German Foreign Minister, gave his Turkish counterpart, Mr. Ilter Turkmen, a stern lecture on the need for progress towards democracy. West Germany is the major European contributor to recent aid packages for its Nato ally and the Turks have been looking for around \$300m from Bonn this year.

Now Herr Genscher's lecture has been underlined by Dr. Peter Corterier, head of the ruling Social Democrat Party's foreign policy group. He has criticised a statement to the Financial Times by General Kenan Evren, the Turkish head of state, that all members of the Turkish Parliament would be excluded from the next parliament to be elected. Dr. Corterier has warned that under these circumstances it is questionable whether there is a majority in the Bundestag for continuing German aid to Turkey. And Sir Ian Gilmour, Lord Carrington's deputy at the Foreign Office, has told the Turks that stories about torture were not making it easier for them to get support in Europe.

For the past eight months matters have gone very much the generals' way. Two previous military interventions in Turkey in the past 20 years contributed to a generally muted foreign reaction to the coup. The generals themselves presented the image of paternal figures reluctantly forced to seize power. The degree of terrorism and political violence before the coup — up to 20 people were being killed each day — was shaking Turkey as well as Western governments who feared their staunchest ally in the Middle East region was about to be rent asunder.

Since then, terrorism has been strikingly curbed. The threat that it posed to the country was far greater than had been previously thought; some 300,000 weapons have been seized or handed in. State authority has been re-established; stopping at red lights no longer causes hoots from the car behind. Abroad the country has confirmed its special position as a strong supporter of Nato that is generally accepted in the Middle East.

Guards at the Ataturk mausoleum in Ankara.

As for the economy, the programme introduced by Mr. Suleyman Demirel, the last civilian Prime Minister, has begun to achieve results. Exports have picked up, as have emigrants' remittances. Inflation is now down to around 40 per cent, one third of last year's levels, though unemployment and under-used industrial capacity cast their blights.

Torture reports are widespread: it must be routine practice

The country has been opened up to Western capital and trade. Major banking and tax reforms have been introduced; the tax reforms, which are crucial had long eluded civilian governments. There has been an important shift of attention to agriculture, the country's great potential strength. This should both help exports and stop the dangerous drift of the Turkish population to the slum areas of the cities.

Now structural changes with a longer pay-off are being prepared. Land reform is to be pushed: this is essential if the Government is to combat the feudal conditions which have helped breed much of the violence in the Kurdish-populated areas in the country's south-east.

This record helps explain why the generals retain much of the widespread goodwill in Turkey which they had when they took over.

But four factors mar this picture. The first is the refusal of the generals to give a timetable for establishing democracy in Turkey. Instead, they insist on putting their stamp on the country's future.

The generals will select the members of the constituent assembly to be appointed this autumn and will then have the final say over whatever this proposes. They are introducing a whole series of tough laws covering such areas as the universities and political parties which will influence the nature of the future democracy. For instance, they have established a curious foundation whose trustees—present officials and businessmen—will obtain hereditary rights over education. They are to exclude the former politicians from the country's political life for, it seems, at least six years.

The second factor is the way the generals approach criticism from the Press. Righ-wing columnists such as Mrs. Nazli Ilica of Tercuman say that they feel free, but that others feel very frightened. Cumhuriyet, a newspaper which follows a line akin to the Tribune Group of Britain's Labour Party, is subjected to scrutiny through a magnifying glass. One of its journalists was recently summoned by the Istanbul martial law authorities to explain why he had written that the rich in Istanbul were taking up jogging. Another, Mr. Ilhan Selcuk, faces prosecution for an article which commented that Turkey was the only member of NATO without freedom of expression.

The third problem area is the stifling of trade union activities. Strikes have been banned, and collective bargaining replaced by compulsory arbitration. There has been a "wholly unacceptable suppression of human and trade union rights," according to the recent mission to Turkey by the International Confederation of Free Trades Unions. Turkey's membership of bodies such as the International Labour Organisation is under challenge.

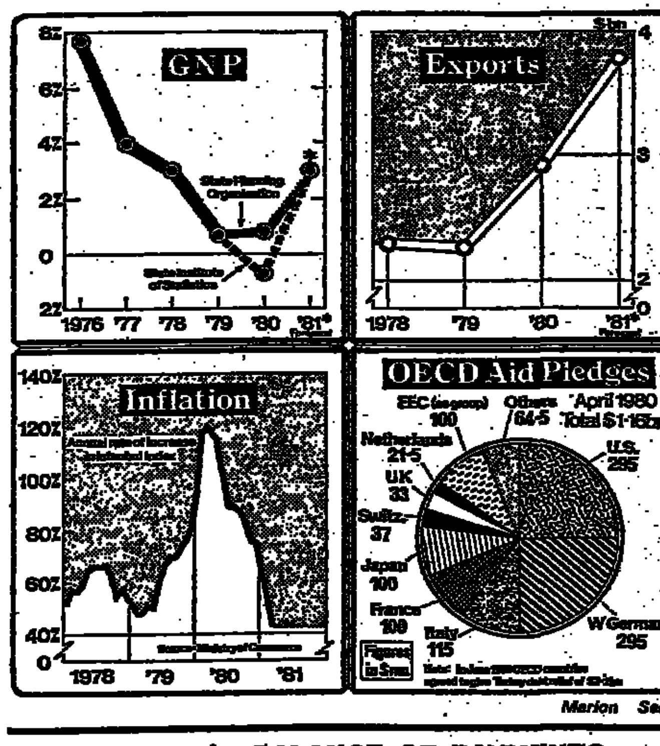
The most active trade union confederation, the Left-wing DISK, has been suspended. An avowedly class union movement, it is under prosecution with 195 of its leaders in prison.

Torture is the fourth of the problem areas surrounding the regime. The authorities tell visitors that they condemn torture, investigate all claims, and prosecute any people involved. But talks with prisoners' relatives, lawyers and those recently released from prison cast doubt on these claims. So widespread are the descriptions of torture that it is hard to avoid concluding that it is a routine administrative practice.

At least 20 people have died in custody since the regime took over; none died during the seven years of the Greek Colonels' dictatorship, but Greece was forced to resign from the Council of Europe. Prisoners may be held for 90 days without charges. Care is taken that permanent marks are not left on the bodies of those interrogated, according to one prisoner recently released in Ankara. The lack of such physical proof makes many people afraid to denounce the authorities for fear they will be accused as was Arayis magazine, published by former Prime Minister Bulent Ecevit, of slandering the authorities.

'If Parliament is right for you, why not for us?'

Lawyers are sometimes denied access to case files, as is happening in the main DISK trial. Furthermore, defaming Turkey abroad is the one crime in the penal code for which no maximum penalty is set; the minimum sentence is five years. The generals themselves have introduced special penalties for spreading rumours through foreigners.



Marion Sedger

TURKEY'S BALANCE OF PAYMENTS

Figures in \$m

	1979	1980*	1981†
Exports	2,261	2,910	3,800
Imports	5,069	7,200	9,000
Invisibles	1,158	1,162	1,700
Current account	−1,650	−3,128	−3,500
Capital account	680	2,562	1,105
Overall balance	−970	−566	−2,395

* Estimate. † Programme.
Sources: Ministry of Finance, Central Bank of Turkey, State Planning Organisation and Secretariat estimate

It is the first of these four points—the slow progress towards democracy and the plans initially to exclude the politicians—which has helped cause the main politicians to begin to stir. The leaders of the neo-fascist and religious Right and Marxist Left either face trial or are "fugitives" whose property is being expropriated. But of the mainstream figures, Mr. Ecevit has become the most outspoken. In an interview with the Financial Times he recently described the planned Constituent Assembly as a mere "consultative body." He said his anxieties had increased: "At the moment all the signs are that the regime to be established will not be democratic in the Western sense or in the sense that existed before but our hope is that the atmosphere may change."

Down the hill from the offices where Mr. Ecevit publishes his weekly, his rival Mr. Demirel is, as always, doing things a different way. Mr. Ecevit has resigned from the chairmanship of his party—and would face some opposition if he tried to return—but Mr. Demirel holds court in Ankara to his party's bosses and oils his party's wheels. Where Mr. Ecevit talks openly, Mr. Demirel keeps public silence.

His party, the conservative Justice Party, is known to be bitterly critical of the army intervention. It condemns European acquiescence in the coup. "If parliament is right for you Europeans, why is it not right for us?" one official asks angrily. That the Turkish Parliament had been deadlocked for months before the coup tends to be glossed over, as does the fact that one reason for this was that Mr. Ecevit and Mr. Demirel were always at odds.

By speaking out, Mr. Ecevit is obviously staking a bid to recapture the moral leadership of Turkey's centre-left, a position which he has to some extent lost. It is arguable that he is doing so too early: the military retains credibility among the Turks at large.

Any visitor to Ankara cannot help being struck by the ability of many of those involved in the National Security Council — as well as by their ambition. They have set out to recast Turkish attitudes and much of Turkish society. Many of their aims are laudable but Europe is beginning to share the doubts of those who used to be the country's elected leaders over the means being applied by the generals.

It is on this last issue that bodies such as the Council of Europe are focusing. To some Turks they are right to do so. But, equally, many Turks would agree with Mr. Ecevit that severing Turkey's organic links with Europe could hinder rather than help, the process of restoring democracy.

MEN AND MATTERS

A Treasury Footman

Sir Geoffrey Howe is known to be cross. Not only has he lost one of his top civil servants, he has lost him to . . . Michael Foot.

Henry Neuburger is a senior economic adviser at the Treasury in charge of a team which produces those gloomy short-term economic forecasts. He ranks at assistant secretary level and is exchanging an £18,000 a year post for one "considerably lower" as economic researcher in the office of the Leader of the Opposition.

Is this switch an index of how bad the short-term economic future under the Conservatives really will be? Less that, says Neuburger, than an abiding attachment to the Labour Party and a long-term desire to leave the Treasury and do something useful.

The Chancellor is thought to be annoyed because he fears Neuburger might take the inside story of Britain's decline to the enemy, reputed to be wicked enough to try to benefit from it electorally. He did not, however, attempt to stop Neuburger leaving, though various colleagues gave well-meaning warnings against abandoning the well-paid security of the Treasury for the wild shores of politics.

Neuburger is wisely not telling if he has any secrets or not, and the official line is that, since he was a short-term man, what information he has will soon be out of date. Anyway, says the man from the Treasury, all these forecasts and the model on which they are based, are published.

Quite so. But now the Labour Party has someone who knows what is *not* published—at least in the short term. And a short term in the Treasury is a long time in politics.

"He's deciding who will try to explain away next year's colossal rate rises!"

Small change

Midland Bank has never been a family institution like Barclays or Rothschilds, but it might have looked that way yesterday to anybody whose spelling was less than perfect.

For the current Midland chairman, Sir David Barran, announced to the bank's annual meeting that he would be giving up the seat next year to fellow Board-member Sir Donald Barron, former chairman of Rowntree Mackintosh. But, apart from homophonic names and a passion for gardening, the two men have little in common.

Barran holds a clutch of other directorships, and is familiar with the high drama of international finance through his former job as chairman of Shell Transport and Trading. Certainly, his successor is no ingenu on the international scene, having pioneered Rowntree's European expansion over the past decade and helped fight off an unwelcome bid from U.S. company General Foods in the late 1960's. But he is not so familiar a figure as Barran in the corridors of City power. He holds few public company directorships, and appears set to stay in York, where he has lived for the past 29 years.

Barron came to the Rowntree chair in 1966, with a background in Scottish accountancy, and retired in March this year. T he boldest and most successful stroke of his career was almost certainly the merger between Rowntree and Mackintosh which he engineered in the 1960's. The incident which he would be happiest to forget, on the other hand, was the 1973 cocoa trading debacle which cost Rowntree over £30m and cast some doubt on his future as chairman.

Och awa'

What a splendidly Scottish ring there is to Okhai Ltd., the family-owned company which is taking over Keiller, the 185-year-old Dundee marmalade and butterscotch makers.

The Okhai family, in fact, is Indian—and the move to save Keiller from closure a business-like way of expressing its thanks to the town which became its adoptive home 15 years ago.

Managing director Dr. A. A. Okhai, who studied medicine at St. Andrews, was practising in Dundee when his family were deported from Malawi in 1966. "My great-grandfather had emigrated to Africa in 1861," he tells me, "and when the family were suddenly made homeless, I though it was up to me to keep them together."

They joined him in Scotland and he gave up medicine to start a trading business with his brothers. "Everything from peanuts to elephant tusks," he says. The Okhais then turned to manufacturing, found a lucrative market for plastic lollipop-sticks, and went on to develop a packaging and distribution business with a present-day turnover of £8m.

Okhai's bid for Keiller was agreed by the Nestle group within four days last week after a number of other potential buyers had withdrawn. "I don't think Keiller's products really fitted into the Nestle range," says Okhai. "I'm sure we can make a success of it again. I feel very strongly that it is part of Scotland's heritage and should be preserved."

Non-U turn

When Leonore Annenberg, the U.S. Government's chief of protocol, dropped a curtsey to Prince Charles in Washington last week, it seems she dropped a clanger as well.

Outraged Americans have been writing to the newspapers ever since to protest about her violation of the country's traditions by bending her knee

The Library of Congress was even asked for a ruling on the proper form. But research only revealed instructions on how to curtsey not who to curtsey to. The second highest authority, Washington Post etiquette writer, Judith Martin, suggested that the affair made a mockery of the 1776 War of Independence.

Some took a charitable view, assuming that Mrs. Annenberg, wife of the former Ambassador to London, had picked up the habit abroad; or that the photographers had caught her in the act of picking up her glove.

But faced with demands for her resignation, the White House and State Department were obliged to move in calm things down. Mrs. Annenberg's gesture was a personal one. It had no political implications, they said. After all, she had bid goodbye to the Prince with a kiss on the cheek.

Back on duty again as Government greeter this week, Mrs. Annenberg took the precaution of welcoming the Prime Minister of Japan inside his aircraft out of the public view.

Round trip

Bus drivers on Merseyside, famous as ever for its comics, have coined a new name for pensioners—Twirlies. It comes from their habitual question as they climb aboard with their free passes around 9.30 a.m.: "Am I too early?"

Observer

ECONOMIC VIEWPOINT

The central bankers answer back

CONSIDER THE following mixed list of people, posts and organisations: Ronald Reagan, the IMF, Paul Volcker, Mrs. Thatcher, Milton Friedman, Raymond Barre and the Governor of the Bank of England. From the point of view of a supporter of Tony Benn or even a "wet" spending Minister in a Conservative government the names just listed are all much of a muchness. They are, it would be alleged, obsessed with stopping inflation by curbing spending. They force left-wing governments to cut public expenditure and egg right-wing ones to fresh acts of savagery in the name of controlling the quantity of money.

But as soon as one gets a little closer to the individuals and organisations involved, the facade of unity disappears and it is the—often ferocious—disagreements which appear more prominent. In fact relations are at daggers drawn between central bankers and those members of the Republican and Conservative administrations who want most to curb inflation by controlling the creation of money.

The rise in U.S. interest rates may look as if the Fed and the new U.S. Administration are united in giving priority to monetary control and leaving interest rates to go wherever market forces take them. But beyond the immediate policy measures, there are strong disagreements between the Fed and the monetarist members of the new U.S. Administration.

The Administration has not endeared itself to Fed Chairman Paul Volcker by promising "suggestions" on how the Fed might improve its performance. The main responsibility for these suggestions lies with Mr. Beryl Sprinkel, the Under Secretary of the Treasury for Monetary Affairs, formerly economics vice-president of the Harris Bank of Chicago and a Friedmanite with no "ifs" or "buts."

Volcker is reported to have told Sprinkel, at their first meeting, that he deals with the Secretary of the Treasury (Donald Regan, who like his opposite number Sir Geoffrey Howe, does not profess to enjoy doctrinal or technical argument), not the Under Secretary. This is somewhat ironical as Volcker is himself a distinguished past holder of the Under Secretary's post. The most forceful opposition to Sprinkel has, however, been expressed by Mr. Anthony Solomon, the head of the New York Fed who corresponds in many functions, although not in title, to "Kit" MacMahon, the Deputy Governor of the Bank of England.

To those who remember the tussles between "Treasury Ministers" and the Bank of England, when the British monetary figures shot through the ceiling following the end of the "corset" controls on deposits in the summer of 1980, the American saga reads like the rerun of an old film.

One of the most amusing aspects of the debate is the way in which U.S. monetarists have switched from wanting to strengthen the freedom of the Fed from political pressure to wanting to bring it under closer control.

There is talk of making Sprinkel—or even Friedman himself—vice-chairman of the Fed when a vacancy occurs next year with a view to succeeding Volcker on the expiration of his term in 1983. The Wall Street Journal commented on this aspect with admirable cynicism, saying it was in favour of whatever arrangements for the Fed —whether independence or political subordination—yielded the lowest rate of monetary growth.

But much more interesting than any crystal-gazing is a new account of the central bankers' case against monetarist politicians and officials by M. Alexandre Lamfalussy in a personal paper published by the Bank for International Settlements (BIS) in Basle, where its author is economic adviser.

M. Alexandre Lamfalussy, of the BIS (centre), articulates with studied politeness why central bankers such as Mr. Anthony Solomon (left), head of the New York Fed, are profoundly sceptical of monetarist policy makers such as Mr. Beryl Sprinkel (right).

The title of the paper "Rules versus Discretion" is a sufficient summary of why the central bankers regard doctrinal monetarists as threats rather than as allies against inflation.

To my mind the distinguishing feature of the central bankers is not that they are more "practical" (which is a *term of self praise) but*, as Lamfalussy acknowledges, they *prefer to set interest rate and* exchange rate targets rather than ones for monetary quantities.

M. Lamfalussy is characteristically preoccupied with price and wage "rigidities" and looks for "other measures" to strengthen monetary policy. These turn out to be credit controls (embraced a little half-heartedly) but more particularly—surprise, surprise—incomes policies.

Some of the most interesting parts of M. Lamfalussy's paper lie in the asides. He remarks that the "intellectual agitation" and "political passion" of the debate on monetary *control techniques* are almost completely absent on the Continent. There is no equivalent of a "Fed watcher" in Paris or Rome. The most important reason for the difference rightly stressed by the author is the highly competitive and fluid financial environment in the U.S. and the UK.

Until very recently the Americans and British were more innovative in finance while Continental Europe showed greater progress in manufacturing industry. With the development of symptoms of the British disease in Germany, matters are changing; and the profession of "Bundesbank watcher" is developing in the Federal Republic, originating in the Kiel Institute of World Economics but spreading southwards to the main industrial *belt* and the baroque uplands beyond.

*Another reason for the con*trast is surely that the intellectual rebirth of both monetary and market economics has taken place largely in the U.S.

But a price has had to be paid for the transfer of intellectual leadership from the Herr Professor's rostrum to the bars where hard-drinking young Americans stay up until all hours making knowing remarks about each other's computer printouts. I invariably retire at 11.) One result has been an emphasis on supposed statistical regularities and technocratic statements of policy rules which (a) are liable to collapse because of the unpredictable nature of human ingenuity and (b) give a misleading impression of their real insights and discoveries. As a result an economist like M. Lamfalussy, who bestrides the two cultures, can *easily* score against them.

For instance, he asks: "What aggregate is to be selected as a *money-supply target*? When should a new one be chosen? What should the aggregate's growth rate be? Over what time-span should this growth rate be reached? What is the supposed functional relationship between the targeted M and the operational target [such as the monetary base]? If experience shows a change in this relationship—*i.e.* if the intermediate target is not reached—after what interval, and on the basis of what assumptions, should the operational target be adjusted? And *so forth*."

A leading British monetarist, *Prof. David Laidler*, *readily* concedes in a survey article in the March, 1981 *Economic* Journal that someone has to *make a judgment on such* matters. But surely the last *people who ought to be left* alone to make them are the central bankers, *whose* professional interest is to have a finger in *as many pies as possible*, while accepting final responsibility *for nothing in particular*.

It would help if American *monetarists* were less nitpicking in their criticisms of the *Fed, and concentrated more on* fundamentals. For instance, they put too much emphasis on quarter to quarter fluctuations in the money *stock*, which their own researches show do not make much difference if reversed within a year.

Fed critics will, if pushed, say that they seize on these short-term fluctuations mainly because the Fed's long term assurances lack credibility. There are indeed technical changes which could help, such as making the discount rate a genuine penalty rate and (*perhaps*) *linking reserve requirements* to current deposits, eliminating the present fortnight's lag. There is quite a chance that Chairman Volcker, who has little to learn about politics, will agree to both changes.

Much more important has been the habit (not only in the U.S.) of setting the new monetary target *in relation to the* previous year's reported fourth-*quarter data. This phenomenon*, known as "base drift," means that erors—which are inevitable —are not corrected but carried forward into future years and compounded. In almost all of the past few years the Fed has either failed to hit its target or underestimated the rise in velocity in choosing its target

Both sides in the controversy need to make an intellectual adjustment. The "monetarists" should argue less about the trees and concentrate more on the wood. In particular it is high time that they dropped the *notion* of a hard-and-fast dividing line between money and *non-money*. To those who argue in black box fashion: "There *is nothing* special about my particular M except that my equations show it gives a better fit with money GDP." I would *reply*: "If your M is accepted as the policy target, I am pretty confident *that* your old equation will no longer fit in a year or two."

Behind their facade of technicality the "monetarists" are making an important suggestion. It is for a monetary regime which would be a modern equivalent of the gold standard and the balanced *budget*.

The important aspect of such a regime is not the technical details but the knowledge that inflationary shocks of any kind, whether from oil prices, union *wage push*, or any *other source* will not be accommodated.

It is the possibility of a regime of this kind that is *the exciting aspect of the British* Medium Term Financial *Strategy (MTFS)*, *and which* makes one wish that the Prime Minister would occasionally refer to it. It also makes one wish that the strategy had been rolled over for a further year to 1985 and that the Opposition parties would state their criticisms in terms of the changes they would like to see in it or its method of implementation.

Such a non-accommodating monetary regime offers a much better prospect of discouraging the union wage push and other rigidities and resistances, about which central bankers moan so much, than *their* beloved incomes policies—which are *basically a way of* passing the buck to someone else.

Samuel Brittan

Letters to the Editor

Civil service pay

From Mr. W. Goode

Sir,—Mr. W. L. Kendall, the secretary general, Council of Civil Service Unions, writes (April 30) comparing earnings in the civil service and outside using medians which are derived presumably from the whole range of possible jobs and earnings in each sector. Is such a comparison meaningful? Are the jobs the same? Surely one needs to compare like with like?

One body which tries to do this, in its annual salary surveys published *in March each year*, is the Institution of Electrical Engineers. *Naturally the* whole survey is fairly complex and *occupies* several pages. The following extracts from the 1981 survey may interest readers, including Mr. Kendall:—

Private sector—all members independent of age, SE England (including central London)

	£
Lower quartile	7,800
Median	9,820
Upper quartile	12,400

Public sector—similar group and region:—

	£
Lower quartile	9,800
Median	11,900
Upper quartile	14,400

Medians for similar group in all other regions:—

	£
Private	8,850
Public	11,300

These comparisons are, *of* course, also too broad-brush. Let *us get into the detail*:—

All members with a level of responsibility score 11-13, 500 or more employees at their workplace and aged 35-39:—

	£
Median, Private sector	9,470
Public sector	11,000

This letter is only intended to warn that the simplistic comparison given by Mr. Kendall should not be taken to mean anything much. I would certainly hope that such a comparison could not influence policy.

I hope Mr. Kendall realises that the private sector creates the wealth which pays for the public sector; unfair competition for qualified people will not help it to do that. And a salary race between the sectors can only make the ratio GDP gross national salary worse than that of other countries, so that we remain uncompetitive and in recession.

W. A. Goode,
84 Abbots Road,
Abbots Langley, Herts.

High time to stop moaning

From the Editor,
Economic Outlook.

Sir,—Anatole Kaletsky (Lombard, May 1) makes the astonishing claim that the official leading indicators "are at the moment the only explanation for the new optimism rooted in actual facts and figures." Since stock market behaviour is an input to the longer leading indicator, Mr. Kaletsky implies, the justification for the recent surge in share prices is circular. I am sure most readers will have noticed the following facts:—

Industrial production turned up in February, the first rise for over a year. Both the coincident and shorter leading indicators (neither of *which* reflects stock market behaviour) have risen steadily since November. The rate of increase of unemployment has slackened while vacancies have virtually stopped falling in recent months. The CBI surveys show that a representative sample of some 2,000 businesses (whose views are notoriously sensitive to their own most recent sales figures) are becoming more optimistic about future trends month by month.

It may still be much too early to cheer: but it is surely high time to stop moaning.

(Dr.) Bill Robinson,
Economic Outlook,
London Business School,
Sussex Place,
Regent's Park, NW1.

Industrial training

From Mr. E. Singer.

Sir,— Your leader on industrial training (May 1) is imaginative and focuses on the real issues while drawing attention to the dangers inherent in distractions such as who is going to pay. As you point out, in the end we all pay and what is required is not so much additional resources but rather a *shift in traditional ideas and* processes. This is indeed *difficult to accomplish but both* the Manpower Services *Commission and Mr. Prior who have* stimulated them deserve great *credit*.

There are, however, three *further points which are relevant*. Because the things people will have to do in the future will not be confined to employment *in the manufacturing* and service industries in the economy, we need to establish sector training bodies for all aspects of work including the "caring" industries such as the health service, education and so on. It does not matter whether these sector training bodies are statutory or voluntary—what does matter is that they should be effective.

We should be careful not to disperse the staff in the existing industrial training boards who have been so carefully and expensively trained and developed since 1964. The training staffs of the existing boards form a nucleus on which we can build.

In the end success lies in the *actions which management* initiates whether in the private or public sector or whether in companies or the public institutions such as the health service. It seems desirable, therefore, that the Government's aims in its document (shortly to be published) should include some reference to the way in which management training could be further promoted and encouraged. This means more than sending people on courses but rather ensuring that opportunities are given to managers to reflect systematically on the experiences which they are undergoing. In practice this means ensuring that senior managements develop coherent strategies not only for their business but also that learning on all levels is taking place on a continuing basis.

E. J. Singer,
1, Claremont Road,
Windsor, Berks.

Australian shares

From Mr. D. Clarke.

Sir,—The subject of delays in receipt of scrip for Australian shares has recently attracted adverse comment in your columns, and I think it now right that I should make some reply on behalf of the Australian securities industry.

I would like to point out that under Australian Stock Exchange regulations, where securities are not delivered within 10 trading days to the buying broker, delivery can be enforced by a buy-in procedure. The buy-in procedure is not always utilised by the broking industry but does exist as a last resort to avoid any unsatisfactory delay. Australian company law requires that securities lodged for transfer with the company registrar must be despatched to the shareholder within one month of receipt. Company registrars can still be lacking in capacity where a ten-fold increase in activity occurs such as during a stock market boom, but generally thet efficiency of company registrars has improved greatly in recent years. Together, these two regulations do provide the basis of a satisfactory system for settlement and registration of securities within the Australian environment.

The main problem appears to arise when Australian securities are dealt on the London Stock Exchange and where delivery is taking place through a number of intermediaries. In these circumstances, Australian regulatory forces are invalid, and there can be *little protection for the* UK buyer. I should point out *that this is primarily a function* of the London market system, *although one must* recognise that it can be exacerbated by the distance and volatility factor which exist in respect of Australia.

I should point out, however, *that the* London Stock Exchange has very recently introduced, in association with the Australian exchanges, a marking service in London for Australian securities similar to that operating in Australia. This marking system should considerably speed up the registration of Australian securities purchased in London.

D. T. H. Clarke,
Potter Partners,
16 St. Helens Place, EC3.

Excluded from inquiries

From the Director, Council for the Protection of Rural England

Sir,—A new range of interests is now being affected by energy policy decisions in the UK as a *direct consequence of Government's* policy to reduce dependence on *imported* oil. Expanded energy supply *increasingly* means huge industrial developments in Britain's *rural areas, at locations for* which there are already strong *competing claims*. Yet the large constituencies articulating these claims (local authorities, conservation bodies etc) are *consistently excluded from* a role in establishing the long-*term direction of energy policy*. That is one reason why public *expectations* of the public inquiry system have become so high. It is time the Government realised this. Only when it does so, will it be possible to find ways of reflecting these new interests in the making of policy. In the meantime, the public inquiry system will have to take the strain. Not everyone will share Mr. Fishlock's conviction (April 30) that it will be able to bear it.

Mr. Fishlock also argues that there is "a widespread public need" for "symbolic reassurance" on *the issue of nuclear* power. This shows a sorry mis*understanding of the important* point made by Professor Jeffrey Jowell of University College at the conference on legal and constitutional aspects of nuclear power. Professor Jowell in fact deplored in his paper the use by Government of "symbolic reassurance" — by which he meant theatrical public inquiries intended only to give the impression of public participation, without the substance of it.

Mr. Fishlock suggests that as "Chairman of the Council for the Protection of Rural England" I am a "well known critic of nuclear stations." In the first place, I am not CPRE's chairman, simply its director. What is more, CPRE has never opposed nuclear power as a source of energy. Indeed I made this plain in my talk at Imperial College.

Robin Grove-White.
4, Hobart Place, SW1.

Climate dodgers

From Mrs. M. Thompson.

Sir, — With reference to Mr. Davidson's comments (Lombard, April 28) on the Department of Health and Social Security's consultative document, is it not time that the so-called "responsible" Press stopped their campaign of envy against expatriate "tax dodgers"? The large majority of these people have spent their working lives in the UK, paying taxes and contributing to National Health Insurance and, like everyone else, have paid for their state pensions. I also think I'm correct *in saying that, if retired people* have only the state old age pension, then they do not pay tax whether they live in the UK or *abroad. Additionally*, if they live in the UK they are entitled to claim supplementary benefits, which people living abroad cannot do.

I, and I'm sure there are hun*dreds like me, also have* an occupational pension from my *previous employment and this* is taxed in the UK on the *PAYE system*. If I were living in the UK I should be getting *some benefit from it, such as* roads, railways, etc., but, as it *is, the tax I pay, and many more* like me, is a free gift to the *country. Furthermore, when I* want dental or medical treatment in the UK then I pay for it in full.

In view of the above, I suggest that Mr. Davidson stops to think a moment before he writes ". . . The DHSS proposes to extend free treatment to British nationals living abroad on British state pensions — that is, to people who not merely do not contribute to the NHS but also wish to avoid paying UK tax . . ."

If we must be named, then call us "climate dodgers" who have exercised their British freedom of choice to live where they want. Or is that, too, denied to us?

(Mrs.) M. W. Thompson.
Calle Cuarte, 29-23a,
Valencia 1, Spain.

Today's Events

GENERAL

UK: Sir Geoffrey Howe, Chancellor of the Exchequer, addresses National Association of Pension Funds two-day conference, Birmingham.

Mr. John Biffen, Trade Sec*retary, speaks at Association of* British Chambers of Commerce dinner, Kensington.

Polling in Greater London and county council elections.

Scottish Conservative conference opens, Perth.

Advisory, Conciliation and Arbitration Service publishes annual report.

Institution of Mechanical *Engineers discussion on waste* derived fuels—a new approach to waste disposal, London.

Birmingham Chamber of Commerce seminar on Saudi Arabia.

Overseas: Prime Minister Zenko Suzuki of Japan starts *two-day meeting with President* Ronald Reagan, Washington.

Viscount Etienne Davignon, EEC industry commissioner, meets West German Government leaders to discuss steel production quotas, Bonn.

European Parliament debates in Strasbourg transport issues, *including lorry weights* and the cross-Channel link.

PARLIAMENTARY BUSINESS

House of Commons: Debate on foreign affairs.

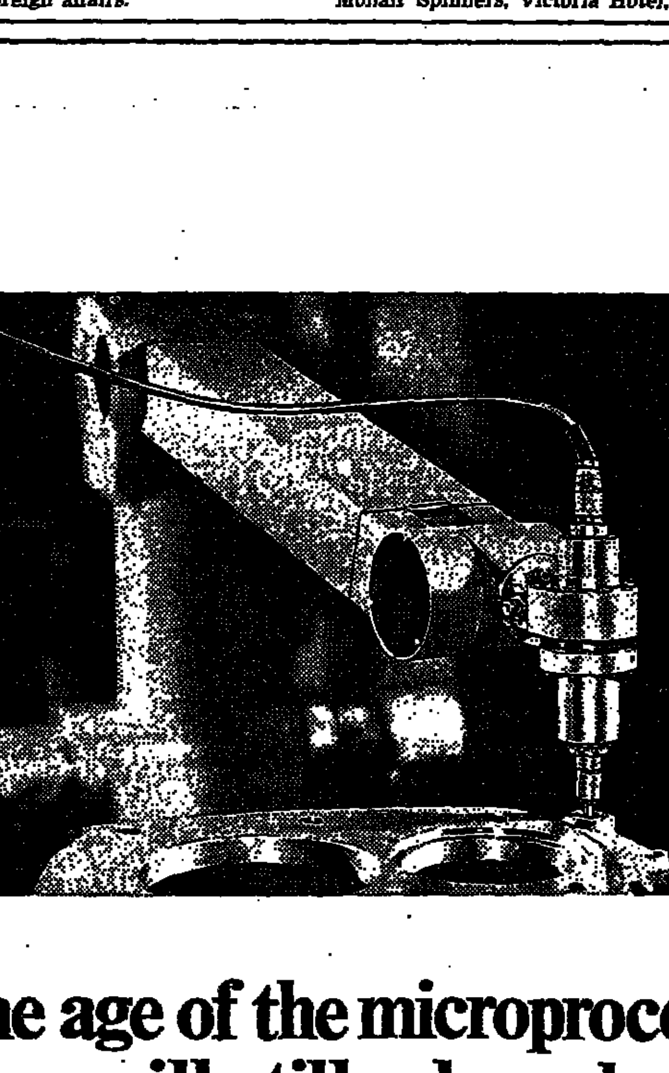
House of Lords: Debate on EEC regulations relating to proprietary medicinal products. Debate on the Northern Ireland *economy*.

OFFICIAL STATISTICS

Department of Industry issues provisional April figures of vehicle production.

COMPANY MEETINGS

Arcoelectric, Central Avenue, East Molesey, Surrey, 11. Berkeley Hambro Property, 41 Bishopsgate, EC, 3.30. J. Bibby, *Adelphi Hotel*, 1 Ranelagh Place, Liverpool, 12. British Mohair Spinners, Victoria Hotel, Bridge Street, *Bradford*, 12. Corah, Burleys Way, Leicester, 12. Dickinson Robinson Group, 1 Redcliffe Street, Bristol, 12. Guest Keen and Nettlefolds, Smethwick, Warley, West Midlands, 12.15. John I. Jacobs, Winchester House, 100 Old Broad Street, EC, 12. Manders, *Wolverhampton*, 12. *Montfort* (Knitting Mills), Grand Hotel, Leicester, 11. Ransomes Sims and Jefferies, Nacton Works, Ipswich, 3. Refuge Assurance, 103 Oxford Street, Manchester, 12. Ruberoid, Dorchester Hotel, Park Lane, W, 12.15. Thugar Bardex, Telford Way, Kettering, *Northants*, 11.30. Tricentrol, Great Eastern Hotel, Liverpool Street, EC, 12.



UK COMPANY NEWS

P & O profit up £8.34m and payment increased

PRE-TAX profit of The Peninsular and Oriental Steam Navigation Company increased from £38.72m to £47,06m in 1980 on gross revenue up from £1.38bn to £2.24bn. On a current cost basis profit before tax was reduced to £28.1m.

At the half year stage P and O made a pre-tax profit of £12.91m (*£13.78m*) on gross revenue of £1.05bn (£567.13m).

The directors have recommended a final dividend of 5p net (4p) per £1 share making a total for the year of 8p (7p).

Lord Inchcape, chairman, looking to 1981, says the year has started badly with *the seamen's* strike and the strikes by port workers in Southampton. The decontrol of crude oil prices in the U.S. has exacerbated an already weak oil market there, and interest rates are being maintained at historically high levels in the U.S. and are only falling slowly in the UK.

Against this background many of the group's shipping activities, including OCL, will perform less well, he says, but it is assumed its ferries will recover from their 1980 performance.

"Earlier than expected decontrol of crude oil prices in the U.S. will result in a marked fall in P. and O. Falco's contribution and we expect lower profits from our UK oil-trading activities: TCB, Bovis, Property Division and also the other oil-related companies are expecting profit improvements and our interest burden should be lighter.

"*We are unlikely to earn ship*-sale profits at the 1980 level of £5.7m but, subject to this, profits at the post-tax level should be broadly maintained, unless unforeseen factors arise."

The pre-tax profit was struck before interest charges of £37.65m (£41.78m). Tax for the year took £16.32m (£12.22m) and after minority interests of £1.15m (£1.52m) exchange differences of £4.8m (£76,000) and extraordinary items of £5.78m (£51.97m) the amount attributable came out at £19.03m (£76.87m).

Dividends for the year absorbed £11.43m (£10m) leaving £7.59m (£66.86m) to be transferred to reserves. The stated earnings per share emerged at 20.9p (17.6p).

A breakdown of the group operating profit is as follows (figures in millions): bulk shipping £17.4 (£13); general cargo £19 (£13.1); passenger £7.4 (£8.7); *European Transport and* Agency Services £1 loss (£10.6 profit); energy £18 (£8.8); Bovis £9.7 (£11.1); P and O Property £4.6 (£5.2); UK banking £3.1 (£1.7); UK insurance nil (£0.5); Australia £7.6 (£7.8); other overseas £1.9 (£3.1); head office expenses £3 (£3.1).

Holt Lloyd profit down to £3.3m

SECOND HALF pre-tax profits of Holt Lloyd International fell from £2.35m to £1.27m, and figures for the full year to February 28, 1981, were also lower at £3.27m compared with £5.03m for the previous 53-week period. Turnover of this car care accessories group dropped from £50.03m to £44.85m.

Mr. Tom Heywood, the chairman, says it was a difficult and demanding year, and for the first time since the company's formation, it had failed to achieve growth. He blames the depth of the recession, the continuing high level of interest rates and the exceptional strength of sterling.

Despite the fall in consumer demand internationally, the company has, however, maintained or improved its position in all important markets.

The pre-tax figure was struck after interest charges 50 per cent higher at £919,000 (£602,000). Tax was slightly lower at £1.11m (£1.26m), and after minorities of £152,000 (£212,000) and an extraordinary credit of £125,000 (£159,000), attributable profits emerged at £2.13m compared with £3.72m.

The total net dividend is maintained at 3.17p, which is in line with 9.5p last year adjusted for the capitalisation issue. The final is 1.67p (1.67p adjusted). Dividends absorb £1.14m (same), leaving retained profits at £990,000 (£2.58m).

Stated earnings per 10p share are 5.56p (adjusted) compared with £9.85p.

On a CCA basis, pre-tax profits are reduced to £2.31m (£3.82m).

● comment

Sending out its interim dividend warrants in the week after Christmas, Holt Lloyd felt obliged to warn shareholders that the second half was going worse than had been forecast with the interim figures in October. Then, the company had expected to put a brake on the decline which had afflicted its first half—after five years of consistently rapid growth. Instead, the domestic market shrank more rapidly than in the *first half*, while the strength of sterling cut into European margins. UK car-care sales in the second half were 25 per cent lower than in the previous year. Pre-tax profits were further eroded by an increased interest charge, and finished up 35 per cent lower. On yesterday's price of 73p, down 2p, the shares yield 6.4 per cent. The maintained dividend is some consolation, but a fully-taxed p/e of 18 seems unsustainable by the present outlook.

BBK's costly investments yet to achieve fruition

Mr. John L. Lutyens, the chairman of Brown Boveri Kent (Holdings), industrial instrument manufacturer, says in his annual statement that the effects of investments, initiated over the last few years, have yet to be fully realised. In fact, in *the short-term they* have added to the group's costs.

Longer-term policies aimed at increasing profitability through improvements in plant, products and international market penetration, cannot be totally abandoned in times of difficulty if the company is to reap the benefits of past investment.

He says that while continuing to rigorously monitor the cost-effectiveness of such measures, the group has still brought into operation new manufacturing facilities and has launched new products in each of its spheres of activity.

Investment in new and replacement fixed assets during 1980 totalled £3.7m, and future projects committed or authorised amount to £1.3m.

As known, pre-tax profits plunged from £5.8m to £1.1m. At the year-end shareholders' funds were £28.3m (£30.13m). Bank borrowings were up from £14.96m to £17.74m. Fixed assets were little changed at £16.9m (£16.28m).

The Swiss-based BBC Brown Boveri organisation holds 54.5 per cent of the group's shares.

Meeting, Connaught Rooms, Great Queen Street, WC, June 12, at noon.

Tricentrol net income well down

IN THE first quarter of 1981, pre-tax profits of Tricentrol fell from £11.85m to £11.19m. However, the impact of supplementary petroleum duty had a marked effect on net income.

The charge for this was £2.41m and, with PRT of £3.39m (£4.07m) and corporation tax of £2.4m (£2.84m), the net balance was £1.76m lower at £2.99m.

Basic earnings per 25p share are shown to have fallen to 5p (8.8p), while fully diluted they declined from 8.6p to 4.9p.

As announced on March 19, the company proposes to de-merge its oil and gas interests. These in the first quarter turned in net sales of £21.25m (£18.83m) and operating profits of £11.1m (£10.42m).

Group net sales for the period rose from £65.39m to £67.57m and investment income was up from £527,000 to £1.28m.

A geographical breakdown of oil and gas sales and operating profit shows: UK £18.25m (£15.77m) and £10.43m (£9.25m); Canada £1.64m (£1.53m) and £250,000 (£392,000); U.S. £1.36m (£1.53m) and £419,000 (£780,000).

An analysis of UK commercial sales and operating profits by division discloses: automotive *24.99m (£31.33m) and £230,000* (£525,000); trading £18.53m (£10.93m) and £253,000 (£224,000); travel £881,000 (£376,000) and £206,000 (£52,000) loss; Cableform £975,000 (£1.88m) and £273,000 loss (£333,000 profit).

The balance sheet at March 31, 1981 shows shareholders' funds at £97.73m (£66.66m).

There was a net decrease in working capital of £353,000 during the three months.

● comment

Tricentrol shareholders have the opportunity today of walking into the group's annual meeting with the latest figures fresh in their minds. As the de-merger issue is raised they might reflect upon the commercial side's dismal first quarter: four thousand pounds of profit on £45m of turnover. A £5m cash injection into the new non-oil entity will still leave capital gearing around 50 per cent. The oil and gas side has suffered from a 43 per cent downturn in North American profits. In Canada and the States the gas glut is hurting Tricentrol and shows no immediate sign of abating. But Thistle is still there to provide reassurance, although January and February were not up to scratch. *Trading may improve later this* year, but Tricentrol's 37 per cent decline in first-quarter net income is little cause for cheer. At yesterday's 262p, the shares trade on an historic multiple of ten times.

Sainsbury jumps £20m and pays 7.25p total

THE HIGHEST rate of volume growth since food rationing ended after the war and a related improvement in net retail margins has pushed profits of J. Sainsbury, the supermarket group, ahead to a record £65.76m for the 52 weeks to February 28, 1981.

The surplus, struck before tax and the employees' profit share, represents a 43 per cent increase over the previous year's £46.03m and is more than double the 1978-79 figure. At mid-year, profits were £11.32m ahead at £30.85m.

The volume growth of 17.3 per cent is the most significant *measurement* of the group's success, says Sir John Sainsbury, chairman. Established supermarkets accounted for 11 per cent of the improvement, the remainder coming from new stores and major extensions.

He points out that consumer expenditure on food has increased by 3 per cent in real terms nationally in the past two years, but warns that this expansion in the market is unlikely to be repeated in the year ahead.

The net dividend total is effectively increased from 5.125p to 7.25p with a final of 5p. Stated *earnings per 25p share, adjusted* for December's one-for-one scrip issue but excluding a deferred tax release, are up from 21.2p to 29.41p.

Retail profits, before the associates' share of £1.37m (£0.65m), improved from £45.39m to £64.39m, with margins moving ahead to 4.05 per cent against 3.7 per cent in the previous year.

Provision for the employees' profit sharing scheme amounted to £3.7m (£2.21m), and tax charges were £12.68m (£8.75m)—more than offset this time by £15.55m exceptional release of deferred tax relating to stock relief.

After extraordinary credits of £3.94m (£4.36m) and dividend distribution, the retained surplus is £56.67m (£30.84m).

Group sales rose by some 30 per cent, from £1.23bn to £1.59bn, including VAT of £58m (£36.6m). Average weekly sales of the group's supermarkets, which increased in number from 197 to 208 during the year, went ahead from £116,600 to £245,500.

On a current cost basis, pre-tax profits are shown as £56.44m against £38m.

Sir John says the group's lead in value-for-money terms over its competitors in the retail food sector has widened in the past year, and this has had a major effect on the buoyancy of trade.

See Lex, Back Page

'Our price is fair'—Berisford

S. & W. BERISFORD, the commodity trading group, has told shareholders of British Sugar Corporation, the sugar producer, that British Sugar has reached the limit of its likely development as an independent company.

"Our offer of 285p per share in acsh represents a fair price for your shares," Berisford says in *its offer document detailing the* bid. British Sugar's board has described Berisford's offer as 'absurd and derisory.'

The document continues: "The days of easy market expansion have, however, come to an end for British Sugar. Consumption in the UK continues to drop, as it has been doing for a number of years.

"In addition, the recent drastic cut in UK beet production quotas means that no further expansion in beet production is possible at the EEC's supported prices.

"Finally, British Sugar's main competitor, Tate and Lyle, has just completed a programme of rationalisation which will enable it to compete much more effectively for market share."

Shareholders are told that these problems are beginning to dominate British Sugar's planning. No further expansion of productive capacity is envisaged, says the document, over the next four years and "already the management has decided to close down four of its factories, at a cost of £23m and 1,250 lost jobs, in order to reduce capacity.

"Last year's increase in profits was arrived at only after an accounting change which reduced the amount of depreciation charged against profit for 1980."

Berisford's proven marketing skills will maintain British Sugar's U.K. market share in the face of increased competition *from Tate and Lyle, shareholders* are told.

"At the same time, with the advantage of Berisford's expertise in international markets, British Sugar could export its surplus at times when prices are most favourable in order to increase the return to farmers and those who work in the industry."

Gallaher first quarter drop

PRE-TAX profits of Gallaher, the tobacco, engineering, distribution and optical group, fell from £28.7m to £24.9m in the first three months of 1981 on sales marginally lower at £472.5m, compared with £473.7m.

Mr. S. G. Cameron, the chairman, says trading conditions are difficult in nearly all areas and, because of the "heavy" increase in the tobacco tax in the last Budget, "the second quarter will be particularly difficult."

He warns that for the full year "the group wil be unlikely to match 1980's trading results." However, he says every opportunity is being taken to strengthen the group's operations and to expand through new acquisitions.

Trading profits for the three months declined from £29.2m to £26.5m. The taxable surplus was struck after interest charges of £800,000 (£300,000) and other costs.

Tobacco sales rose in the quarter from £357.9m to £379.5m but pumps and valves fell from £18.1m to £15.9m and distribution from £119.4m to £96.7m. Optical sales (Dolland and Aitchison) were unchanged at £11.2m.

For the year to end-December, 1980, group pre-tax profits improved from £63.2m to £80.8m on sales of £1.95bn, compared with £1.71bn.

Mr. Cameron says the tobacco results for the first quarter were only just behind those of a year earlier despite a reduction in UK total market sales. This was because of gains in market share and a price increase in February.

The chairman points out that the immediate outlook is difficult because of high stocks in the trade following heavy pre-budget buying. Some short-time working has been unavoidable, he says.

"First signs of an improvement in demand are starting to appear, but it will take time for this to be reflected in sales and profits," Mr. Cameron adds. The Australian and South African subsidiaries continue to prosper.

The group is a susbidiary of American Brands Inc.

Warrington to raise dividend

TAXABLE PROFIT of Thomas Warrington and Sons for 1980 was £333,622, against £306,995 for the previous year. Because of a marked improvement in its financial position and a much better outlook the general building and public works contractor is stepping up the dividend.

Turnover for the 12 months rose from £7.74m to £9.1m and profit included £238,121 from the sale of surplus land and £20,493 from sale of uneconomical domestic properties.

The current year has started well with the contract order book at a record level, bank borrowings eliminated and signs of an *upturn in demand for* private houses, say the directors. Given reasonable weather and freedom from industrial disruption 1981 should be a successful year.

A net final dividend of 3.5709p raises the total to 4.7346p (3.5443p).

Attributable profit emerged ahead at £560,591, compared with £357,608 following higher tax credits of £226,969 (£50,613).

Current cost attributable profit was £238,000.

Valuations of investment properties and land for development at year end showed a surplus over book value of £1.57m and £410,000 respectively.

Dividend Table
See Page 26

COUNTRY AND NEW TOWN

Acceptances have been received in respect of 95.84 per cent of the 15.13m shares of Country and New Town Properties offered in a one-for-two rights issue to raise £8.02m.

SPAIN

May 6	Price %	+ or −
Banco Bilbao	306	−1
Banco Central	355	−2
Banco Exterior	280	
Banco Hispano	286	
Banco Ind. Cat.	124	
Banco Santander	335	−3
Banco Urquijo	185	
Banco Vizcaya	324	
Banco Zaragoza	216	
Dragados	147	+2
Espanola Zinc	75	
Fecsa	64	+0.5
Gal. Preciados	32.5	+2
Hidrola	67.7	+0.7
Iberduero	57	
Petroleos	106	
Petroliber	90	
Sogefisa	81	
Telefonica	61.5	
Union Elect.	67.5	+0.3

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UK COMPANY NEWS

MINING NEWS

Paringa spurns Hampton Areas

BY GEORGE MILLING-STANLEY

THE London-registered Hampton Gold Mining Areas received the consent of the Australian Foreign Investment Review Board in the early hours of yesterday mornig (London time) to make an offer for the whole of Paringa Mining and Exploration, and has announced the the terms of its bid, which values the Australian company at more than £7m.

The terms of the offer are either three shares of Hampton and 50p in cash for every 10 shares in Paringa, or 62p cash for each Paringa share.

Paringa has rejected the offer on the grounds that the terms do not reflect the current worth of the company and its future prospects. A more detailed rejection is expected when Hampton issues a formal offer document.

Hampton already holds 14.99 per cent of Paringa, which it bought in early 1980 from Aberfoyle, the Australian arm of Canada's Comineo, and has agreed to acquire a further 5 per cent from Aberfoyle at a price of 60p a share in cash.

Aberfoyle has also agreed to sell its remaining stake of 4.9 per cent in Paringa at yesterday's offer price, which means that Hampton already has effective control of around 25 per cent of Paringa. The offer is conditional on acceptance by 75 per cent of the remainder.

Paringa's main attraction for Hampton is its 10 per cent stake in the Que River deposit in Tasmania, where Aberfoyle holds the remaining 90 per cent.

Production of silver-lead-zinc ore began in February of this year, with copper and gold to follow later. This gave Paringa its first income from mining operations for many years, and the company expects substantial income from Que River in the years to come.

Paringa also has several stakes in exploration joint ventures in Australia, notably a diamond prospect adjacent to the Ashton joint venture in the Northern Territory.

Hampton has long been seeking a means of diversifying away from its dependence on nickel royalties from Australia's Western Mining, and the spread of metals at Que River would be ideal for this purpose.

The London company's other interests include coal mines in Staffordshire, the manufacture of equipment for the coal mining industry, and oil and gas exploration in the North Sea.

Hampton also has exploration interests in Australia, and the company said yesterday that it intended to develop Paringa as part of its plann-d expansion "Down-under."

The shares of Hampton lost 5p to 205p in London yesterday, while Paringa closed 1p better at 63p, after being 65p at one stage.

Profits rise at Denison

THE RISE of 73 per cent in first-quarter net profits of Canada's uranium-producing Denison Mines is mainly attributable to higher income from oil and gas, principally outside Canada, a rise in investment income and the proceeds from the sale of interests in mineral ventures, reports John Soganich from Toronto.

These increases were partially offset by higher uranium production costs, slightly lower uranium deliveries and Government imposed cutbacks in Canadian oil production, the company said.

Profits for the first three months were C$28.3m (£11m) or C$1.55 a share, compared with C$16.4m or 89 cents in 1979.

The figure was struck after providing C$17.6m for the settlement of the uranium antitrust litigation brought by Westinghouse of the U.S.

Net profits of Kerr Addison Mines fell slightly to C$8.9m or 96 cents a share in the first quarter, against C$10m or C$1.08 a share.

Mr. William James, president, told the annual meeting that lower earnings from the 6 per cent stake in Noranda Mines, the weaker gold market and lower production from the company's own gold mine in Ontario will contribute to a fall in full-year profits.

Lower metal prices and increased production costs cut first-quarter net profits of Placer Development to C$9.4m from C$26.5m last year.

The company's 70 per cent-owned Equity Silver Mines, which came into production at a silver-gold-copper property in British Columbia last October, reported its first ever first-quarter net profits of C$1.7m.

The Yukon lead-zinc-silver producer Cyprus Anvil Mining turned in a loss over the first three months of the year of C$1.9m, compared with a profit of C$8.7m a year earlier.

This was the result of lower concentrate production and significantly lower lead and silver prices.

Profits of Corporation Falconbridge Copper for the period were down sharply to C$1.2m from C$9.7m, reflecting substantially lower metal production and prices.

Little Long Lac Gold Mines, lead company for a group of gold producers in Ontario and Quebec, saw net profits jump to C$6.1m in the first quarter from C$0.8m last time, bolstered by increased output and a higher realised gold price due to forward sales.

HENSHER LISTING CANCELLED

The listing of Hensher (Furniture Trades) 16 per cent cumulative preference shares has been cancelled, over 80 per cent having been acquired by Bardsey.

1980-81 High	Low	Company	Last price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
76	39	Airsprung	72	—	4.7	8.5	11.4	15.8
52	21	Armitage and Rhodes	61	—	1.4	2.7	21.0	48.6
196	92½	Bardon Hill	196	—	9.7	4.9	7.4	12.8
101	88	Deborah Services	101	—	5.5	5.4	6.0	9.5
126	88	Frank Horsell	103	—	6.4	6.2	3.2	5.9
110	39	Frederick Parker	55	—	1.7	3.1	23.9	—
110	64	George Blair	84	—	3.1	4.8	—	—
110	59	Jackson Group	103	—	6.9	6.7	3.9	8.0
124	103	James Burrough	118	—	7.9	6.7	9.7	9.7
334	244	Robert Jenkins	318	—	31.3	9.8	—	—
55	50	Scruttons "A"	53	—	5.3	10.0	3.9	3.9
224	205	Torday	205	—	15.1	7.4	3.5	7.9
23	8	Twinlock Ord.	11½	—	—	—	—	—
90	69	Twinlock 15% ULS	88xd	—	15.0	22.7	—	—
56	35	Unilock Holdings	44	—	3.0	6.8	6.8	10.7
103	81	Walter Alexander	100	—	5.7	5.7	5.6	8.8
263	181	W. S. Yeates	255	—	13.1	5.1	4.8	9.8

Ultramar buoyant and profits soar to £42m

FIRST QUARTER results of Ultramar Company, petroleum exploration and development concern, have exceeded the board's expectations with pre-tax profits climbing from £31.5m to £42m. Sales rose from £223.8m to £311.7m.

About 45 per cent of the group profit came from its Indonesian operations where the liquefied natural gas plant continues to operate at throughput rates in excess of design capacity. The Canadian operations also did very well and made a significant contribution. The remainder came mainly from Caribbean operations, although UK marketing and the shipping division were also profitable.

The board says however, that it does not expect profits for the rest of the year to continue at the same pace as in the first quarter. The near-term outlook for the oil industry has been adversely affected by the worldwide decline in demand for petroleum products which has led to excess supplies and a narrowing of margins.

Mr. Arnold Lorbeer, the chairman, says the expansion programme is making good progress. Contracts have been signed for the doubling of the capacity of the LNG plant in Indonesia, and this is expected to be fully operational by the second half of 1983.

The ship construction programme in Spain is under way, and the first of six new vessels (76,000 dwt oil bulk ore carriers) will be delivered in October, 1982.

Mr. Lorbeer says most of the group's capital expenditures have been directed to increasing its reserves of gas and oil. New areas for exploration have recently been acquired in Australia, the U.S., and offshore Ireland. The tempo of exploration drilling will be stepped up in the second half of this year.

The pre-tax profit was struck after amortisation, depreciation, depletion and amounts written off totalling £5m (£3.5m). Tax accounted for £20.9m (£12.4m) and after allowing for foreign exchange fluctuations of £900,000 (£700,000), the net profit comes out at £22m (£18.8m).

● comment

Compared with Tricentrol, Ultramar has clearly done well. An increase in gas deliveries from the Badak field in Indonesia is the main reason, but Canada has helped out as well. The expired Saudi oil contract has been partly offset by supplies from Western Canada which commenced on January 1. As this year continues, Ultramar may find its net income slightly lower because of shrinking world demand and since the Indonesian production of the first quarter cannot be sustained. But in two years the company should benefit from the Maureen Field, an expanded Quebec refinery and higher Indonesian production. The medium-term outlook is for a profits plateau. The group's shares moved up 4p last night to 447p.

WARNFORD INVESTMENTS

Attributable profits of Warnford Investments for the year to December 25, 1980 were £1.17m, and the group had a loss on the sale of properties and other disposals of £647.

Owing to any agency error, these figures were incorrectly given as £1.71m and £647,000 in yesterday's paper.

Mackay returns to profit

AT THE AGM of Hugh Mackay the chairman told shareholders that the company was now in profit. He said the costs associated with the consolidation programme will diminish but warned that the group still had a steep uphill climb in difficult conditions.

The chairman pointed out that after allowing for the company's destocking actions a year ago and in spite of disruption during the removal period sales volume for the first quarter of 1981, compared with the corresponding three months, had kept pace with production, which was approximately equal to a year ago.

The consolidation programme had progressed, he said, but because of the company's need for production to meet order intake it deliberately slowed down the move of looms, which was completed in April.

He said that some ancilliary plant and facilities were now on the move and that he expected the whole programme to be completed by the end of June.

It was announced later that the company had reached agreement for the sale of its Freeman's Place factory for a consideration of £250,000.

Hunting Gibson rises £0.85m

ON TURNOVER down from £12.44m to £11.5m, Hunting Gibson, a ship owning group also engaged in ship and air broking and industrial painting contracting, increased its 1980 pre-tax profits to £3.75m, compared with £2.9m the year before.

Attributable earnings, after tax of £519,000 (£515,000) and minorities, are up from £2.28m to £3.09m, or a stated 37.52p (30.73p) per 25p share.

The dividend is lifted from 4.5p to 6p with a final of 4p.

The directors state that a clean withdrawal from the Seabridge consortium was negotiated during the year, for which compensation was received rather than paid by the group. A release of £507,000 from the provision for costs arising from the disposal of MV Tyne Bridge has thus been made possible, and the /800,000 balance of the amount set aside has been carried forward to cover possible reorganisation costs of the shipping division.

The pre-tax surplus—reduced to £3.29m on a CCA basis—is struck after augmentation and special payments to retirement benefit schemes of £481,000 (£97,000) and includes associates' profits of £1.55m (£1.19m).

● comment

Hunting Gibson's strong recovery from its 1978 loss continues. The improvement in 1980 came in part from two exceptional credits amounting to £0.8m from the disposal of the Tyne Bridge and the withdrawal from the Seabridge Consortium. Profit of associates was up 30 per cent, reflecting the 47 per cent rise in attributable profits of Hunting Petroleum and a much improved result from Hunting Lambert, the 50 per cent owned travel agents. The group is unlikely to make further headway this year. The Stag Line acquisition should help the ship owning side but broking remains difficult and the associates are facing tougher conditions. The shares rose 3p to 155p yesterday, where the fully taxed p/e is a modest 7.6, but the 5.7 per cent yield on the very well covered diividend is not much help.

Matthew Hall £1.6m rise

FOR 1980 pre-tax profits of Matthew Hall and Co. show a £1.64m improvement at £9.21m, an increase of 22 per cent. This follows an advance of £1.42m to £6.83m at the interim stage.

A substantial reduction in the tax charge from £1.84m to £406,000 left yearly earnings per 25p share ahead from 23.74p to 51.48p, and after an exceptional tax credit of £7.86m they are shown to have jumped from 33.52p to 97.48p. The dividend is lifted from 7.105p to 8.526p with a final payment of 6.552p net, and a one-for-one scrip issue is also proposed.

The exceptional tax credit arises from the transfer from deferred tax liabilities of £8.6m provided in previous years, to shareholders' funds, less a balance of £750,000 of ACT paid in respect of previous years' dividends.

The directors report that the contribution from the UK and Australian building engineering services sector was increased. Also the electrical and instrumentation activities of Holliday Hall moved back into profit.

Oil and chemical engineering operations continued to progress. Improved results were obtained from Holland and Australia and expansion plans in the U.S. and Singapore were further advanced.

● comment

Matthew Hall exceeded its pre-tax forecast of £9m by no more than a whisker, accuracy which was only to be expected given the proximity of the interim announcement to the year end. Hall still has net cash of more than £20m, and over 40 per cent of the pre-tax profit consists of interest received. Nearly half the cash represents progress payments received in advance; in other words, it is a form of working capital. Hall's ability to expand by acquisition is therefore more limited than might appear, although one current quarry is in the £10m range. To the extent that its cash is not really free, a corresponding portion of the interest received is properly considered as part of Hall's trading profit. Even without this endowment effect, the 1980 trading figures were very pleasing. Although some North Sea contracts have peaked, there is a prospect of contracting to Shell on the Tern field. The biggest source of improvement in 1980 was the righting of Holliday Hall from its loss of the previous year. A one-for-one scrip sent the shares up 7p to 415p, where they yield a shade less than 3 per cent. A fully taxed p/e of nearly 16 means that the group will have to work hard this year to keep pace with its rating.

C. Pearce at £1.29m midway

THE PROFIT and turnover of C. H. Pearce and Sons, builder and contractor, has increased despite the low work load and profitability of the construction industry caused by the recession, says Mr. G. T. Pearce, chairman.

Pre-tax profit for the half year to November 30, 1980, was up from £905,332 to £1.29m on turnover of £10.87m compared with £8.99m. The directors expect profits for the 12 months to exceed those of last year.

An interim dividend of 4p (2.5p) per 25p share, has been declared: part of this increase reflects the directors' desire to reduce the disparity between the interim and final dividends. Last year a final of 8.5p was paid.

The company has made no provision for corporation tax for the half year due to the tax effect of timing differences mainly arising from stock appreciation relief.

Poor second half for P. C. Henderson

TAXABLE PROFITS of P. C. Henderson, manufacturers of sliding door gear and industrial and garage doors, slumped from £2.78m to £1.46m in the 12 months to end-February, 1981, on sales virtually maintained at £29.28m, compared with £29.33m.

At midyear profits at the pre-tax level were 15 per cent higher at £938,000 (£815,000).

Mr. Pat Gaynor, the chairman, says the group experienced a difficult second half with sales lower by about 10 per cent in money terms—they fell over the period from £16.35m to £14.77m.

Trading profits for the year were down from £3.28m to £2.36m after showing a marginal rise in the first half at £1.21m (£1.03m).

The chairman says the industrial door side in the UK and the main overseas subsidiaries held up reasonably well but a reduced demand in the UK, particularly for domestic garage doors, led to intense price competition and severe pressure on margins.

Mr. Gaynor adds that action taken to handle the reduced activity levels resulted in lower inventories and significant overhead savings—the full benefit of which should be realised in the current year.

However, he points out that the cost of this action, reflected in exceptional items, was nearly £400,000.

On balance the chairman says despite current optimism among politicians and investors the directors have decided it is prudent at this stage to do no more than maintain the level of distribution — a same-again final of 5.75p makes a total of 8p net.

The surplus was struck after a share of associates of £46,000 (£28,000) and exceptional debits of £565,000 (£178,000), being currency adjustments of £171,000 (£107,000), redundancy and factory closure costs of £309,000 (nil) and stock obsolescence on product range termination of £85,000 (nil). Last year the employee share incentive took £71,000, against nil this time.

Interest charges were higher at £377,000 (£357,000) and after tax of £641,000 (£1.21m) the net balance emerged at £822,000, compared with £1.56m.

Stated earnings per 25p share dropped sharply from 35p to 17p.

On a CCA basis, the historical pre-tax profit is reduced to £875,000 (£2.1m).

Shareholders' funds are shown as £9.54m (£9.12m).

● comment

Trading profit of P. C. Henderson fell 49 per cent in the second half as sales volume declined and margins were squeezed. The garage door business was hardest hit—volume was off 15 per cent and price competition was severe—but the group believes it has held on to its leading market share. Henderson's financial health has also been maintained: stocks are down by more than £1m and net borrowings stand at less than 16 per cent of shareholders' funds. This strong financial position more than any great optimism about the immediate outlook probably underlies the decision to maintain the final dividend even though it is uncovered on a CCA basis. The anticipated acquisitions following the enfranchisement of the "A" shares last year have not occurred but now that a new chief executive has been named, the group may become more active on this front. The shares rose 5p yesterday to 165p where the yield is 7.2 per cent.

Feedex downturn to £360,000

REDUCED MARGINS and increasing costs more than halved the 1980 pre-tax profits of Feedex Agricultural Industries, the Humberside-based manufacturer of agricultural machinery and feedstuffs and grain traders, on turnover up 28 per cent from £24.06m to £30.74m.

The taxable surplus was £359,541, against £831,686, after substantially increased interest charges of £354,192 (£235,028) and a share of associated company profit of £4,276 (loss £9,665).

In view of the disappointing results and demands on the company's cash resources, the board recommends a reduced final dividend of 0.45p (0.885p), making a net total for the year of 1.1p (1.535p).

Earnings per 10p share emerged at 2.90p, down from 4.36p, and attributable profits were £379,595 (£570,078) after a tax credit of £60,000 (charge £252,850) an extraordinary debit of £17,870 (nil) and minority interests of £22,076 (£8,758). Dividends absorbed £143,839 (£200,720).

After current cost adjustments, the taxable surplus was reduced to £62,541.

MARINEX

Taxable profit of Marinex Petroleum in 1980 was £128,275 after expenses of £240,944. The directors are not recommending a dividend for the year, which includes some five months of activities as a public company.

Tax takes £5,000 and after the absorption of a £99,677 accumulated deficit, retained earnings emerged at £23,598.

Jenks Cattell into loss and cuts interim

TURNOVER OF Jenks and Cattell fell from £4.42m to £2.8m for the six months to the end of January 1981 and the group went into a pre-tax loss of £455,000 against a profit of £140,000.

The company, whch manufactures pressings, washers and garden tools, is cutting the interim dividend to 0.5p (1.5p). In the previous full year, a net total dividend of 4p was paid, and the group showed net profits of £257,000.

The loss was struck after interest charges of £160,000 (£122,000). Tax took £15,000 (£43,000), leaving net losses of £470,000 (profit £97,000).

Stated losses per 25p share emerged at 19.9p, against earnings last time of 3.1p, and dividends absorbed £35,000 (£60,000).

Mr. Robin Jenks, chairman, says the fall in demand and operating losses for the last three months of 1980 continued in the first half of this year.

He says the board has been pursuing its reorganisation plan which has involved restructuring the company, reducing overhead costs and eliminating surplus capacity.

The plan is now close to a successful conclusion and by June of this year the number of employees will have been reduced by 42 per cent to 415.

It has involved the company in heavy extraordinary costs of £196,000 for redundancy payments and plant restructuring but it will have reduced operating costs by more than £2m a year.

Companies and Markets

ISSUE NEWS

Bestobell calls for £6.6m by way of rights

BY RAY MAUGHAN

Bestobell, the controls and instrumentation, aviation and seals group, is planning its first rights issue for six years with a call for around £6.6m on a one-for-eight basis at 380p per share.

The previous issue raised £2.8m, at 88p per share, but much has happened in the meantime. The group has a new chairman, re-shaped divisional and reportin gstructure and a major new shareholder in BTR, which holds 23.6 per cent of the equity.

Bestobell's main re-structuring has now been completed with yesterday's announcement of the sale of the paints and chemicals division to Silver Paint and Lacquer for £2.25m in cash and a book loss of £1.8m. The disposal leaves assets of about £1m in the consumer division, notably the manufacture of venetian blinds and waste disposal units. These remain profitable but are not considered strategically important.

Mr. Sandy Marshall, who was appointed chairman from Peninsular and Oriental Steam Navigation in 1979, considers that Bestobell's continuing businesses are well placed for steady development. The group is now made up of six autonomous units comprising energy engineering, controls and instrumentation, aviation and seals, consumer products, Australasia and Africa. The formation replaced the centralised and overlapping system in operation prior to Mr. Marshall's appointment and the group believes that the tighter and more direct lines of accountability have done much to uncover its strengths in advanced engineering.

Profits have responded even in the teeth of a major industrial slump. Bestobell, after five dull years, has pushed pre-tax profits from £4.8m in 1978 to £7.72m for 1980 and the City is now expecting something in the £9m-£10m range for the current year.

That may not imply very much organic growth in 1981; the Avica aerospace ducting equipment acquisition for £3.4m last autumn is probably worth £600,000 to profits in a full year and interest savings alone would be worth some £400,000. For the moment, though, Bestobell confines itself to the observation that trading remains difficult. But it is now seeing increased confidence which should stimulate the economy later this year.

Money will be used in the first place to reduce short- and medium-term debt. But the board is also looking for fresh acquisitions. Capital spending will be kept at around last year's level of £3.2m, and further deals are under consideration which may well take Bestobell further into the U.S. and the fashionable, and growing, aerospace components market.

BTR built up its stake during a hotly opposed bid in 1979. It was diluted slightly last year with the Avica deal but if BTR takes up its full rights entitlement it may still be regarded as a long-term bidder.

BTR is, however, sitting on a very healthy profit on its 218p per share average buying price. Its bid terms valued Bestobell at £29m; at 450p, down 8p yesterday from the peak for the year, its erstwhile target is now capitalised at over £64m. But size may not be that much of a consideration since BTR's stock market value is in excess of £751m and it prides itself on its position as one of the 300 largest industrial companies in the world.

The question remains whether Bestobell's turnround has been enough to assure continued independence or whether the undoubted success of BTR's acquisition programme will lead it to re-start bidding at what would now be quite a fancy price.

BTR has not made up its mind about the rights yet, and Bestobell is implacably opposed to a bid. Mr. Marshall said yesterday "we made sure BTR had the rights issue document at 9.00 this morning."

Offshore fund with Irish appeal

A NEW offshore unit trust backed by the Allied Irish Investment Bank made its debut yesterday with the launch of Guernsey-based Trans National Trust.

Trans National is to be quoted on the USM and is offering up to £7.5m participating redeemable preference shares of one cent each at $1 per share. The shares will be offered to Irish and UK investors, but the package is designed with the former in mind.

The new unit trust, to be managed by Hambros Fund Managers (Channel Islands), is structured so that Irish investors who are unable to export funds under the country's exchange controls, may shift UK investments into worldwide equity holdings. Trans National plans to specialise in North American equity markets, but will also invest in the Far East and in Europe.

The emphasis of the new company will be upon growth rather than income; it is anticipated that the initial yield will be around 3 per cent per year, to be paid in dollars.

Yearlings total £18.2m

Yearling bonds totalling £18.25m at 12⅝ per cent redeemable on May 12, 1982, have been issued this week by the following local authorities.

Bracknell DC (£0·5m); Castle Morpeth DC (£0.25m); Highland Regional Council (£1m); Middlesborough (Borough of) (£0.5m); Warrington BC (£0.5m); Worthing BC (£0.25m); Bridgenorth DC (£0.25m); Cumbernauld and Kilsyth DC (£0.25m); Gateshead (Borough Council of) (£0.25m); Lancaster City Council (£0.75m); Newham (London Borough of) (£0.25m); Preseli DC (£0.25m); Tamworth (Borough of) (£0.25); Swansea (Council of the City of) (£1m); Lambeth (London Borough of) (£0.5m); Grampian Regional Council £2m); Ashford BC (£0.5m); Chelmsford BC (£0.25m); Derwentside DC (£0.25m); Hackney (London Borough of) (£2.5m); North Warwickshire BC (£0.25m); Slough (Borough of) (£0.5m); West Wiltshire DC (£0.5m); Bedfordshire CC (£0·5m); Cotswold DC (£0.25m); Hartlepool BC (£0.75m); Newbury DC (£0.25m); Rhymney Valley DC (£0.25m); Rushmore (Borough of) (£0.5m); Sheffield (City of) (£2m); Woodspring DC (£0.25m).

North Wiltshire DC has issued £0.25m of 13⅛ per cent bonds for redemption on May 5, 1983.

New trust to invest in USM

THE RELAXATION of the investment trust listing requirements, announced by the Stock Exchange last week, has permitted Ivory and Sime to finalise its long-held plans to launch an investment vehicle specialising in unlisted investments, First Charlotte Assets Trust.

Accordingly, James Capel is to place 30m ordinary 5p shares in First Carlotte at 10p each, thereby raising £3m for the new investment trust, or £2.9m after expenses.

The impetus for First Charlotte stemmed from the creation of the Unlisted Securities Market last autumn. But the recent Stock Exchange decision to consider listings from newly formed and existing investment companies which did not previously conform to investment trust status has enabled First Charlotte to obtain a listing. It is to seek approval as an investment trust by conducting its affairs so as to satisfy the conditions required in Section 359 of the Income and Corporation Taxes Act 1970 (as amended).

The new trust will be managed by Ivory and Sime for a quarterly fee of 0.25 per cent of the value of shareholders' funds. The aim is to secure long-term capital appreciation by providing investors with a quoted route to a portfolio of stakes in smaller companies, in particular unquoted companies and companies quoted on the USM.

Such companies can develop into larger listed companies and the Board, headed by Mr. Peter Balfour, chairman of Scottish and Newcastle Breweries and a director of other Ivory and Sime trusts, believes that "there is considerable profit to be made by investing in such companies during their transition."

The Stock Exchange has now raised the limit on authorised investment trust holdings in unquoted companies from 15 per cent to 25 per cent of gross assets and has also allowed U.S. Over-The-Counter issues to be counted, for the first time, as quoted stocks. These new ceilings mean that First Charlotte will be able to buy a wide selection of American shares. These are expected to comprise some 30 per cent of the portfolio.

As a result of its investment policy, First Charlotte's net revenue and consequently its dividends will be small. It is intended to retain no more than 15 per cent of income from shares and securities so as to qualify for investment trust status for tax purposes.

Dividends will only be paid to the extent that they are covered by dividends received from underlying investments—shares of profits of associated companies being unavailable for this purpose. The first dividend, taking the form of a single annual distribution, will be paid in June next year.

Phoenix Assurance will subscribe for 8.3 per cent of the issue and Standard Life Assurance will take 7·5 per cent. Dealings start on May 12.

Gen. Accident ahead by 54% in first quarter

PRE-TAX profits up by 54 per cent, from £12m to £18.5m, are reported by General Accident Fire and Life Assurance orporation for the first quarter of this year. Attributable profits were one-third higher at £12.3m, against £9m.

Mr. David Blaikie, chief general manager, warned, however, that the improvement in results masked a serious underwriting decline in most of the group's major overseas territories, while in the UK the otherwise strong performance was marred by sharply higher operating costs.

Premium income in the quarter rose from £222.5m to £240.6m, a rise of 8.1 per cent, but when exchange adjustments are made, the premium rise is trimmed to 5.6 per cent.

Underwriting losses were cut marginally from £14.6m to £14.1m, reflecting a better result in the UK which more than offset higher losses in most other major territories.

In the UK, underwriting losses were reduced from £9m to £2.4m, despite a rise in operating costs. This improvement came from a turnround in the motor account—the group being the largest motor insurer in the UK — with a deficit of £1.7m against £5.6m last year.

Industrial fire business showed a good profit, reflecting reduced national fire losses, but experience in the homeowners' account was again adverse despite the better winter weather resulting in lower claims frequencies. Premium income in the UK remained static

Underwriting experience deteriorated in the U.S. in line with market expectations with losses doubling in the quarter from £2.3m to £5.8m. on premiums up from U.S.$166m to $178m, a rise of 7 per cent. The deterioration occurred in all major lines with the property account in particular producing a sizeable loss. The operating ratio was 106.32 per cent compared with 103.13 per cent in 1980. Elsewhere, experience deteriorated further in Canada and Australia, with South Africa also producing substantial losses. There was, however, improvement in Europe, especially in France and the Republic of Ireland.

Investment income improved from £26.5m to £32.5m, the underlying increase after exchange adjustments being 19.2 per cent. The solvency margin at the end of April was 61 per cent compared with 59 per cent at the end of 1980.

See Lex, Back Page

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Matthew Brown, Messina (Transvaal) Development, Moss Engineering, National Bank of Australasia, Royal Bank of Scotland, Wellco, Wemyss Investment.

Finals: Aberdeen Construction, Allied Plant, Beralt Tin and Wolfram, British Investment Trust, Canadian and Foreign Investment Trust, East Rand Consolidated, Guardian Investment Trust, Norman Hay, Highcroft Investment Trust, Manor National Group Motors, Sandhurst Marketing, Francis Sumner, UDS, Yorklyde.

FUTURE DATES

Interims—	
Associated Paper Industries	May 12
Drayton Consolidated Trust	May 8
Northern Foods	June 4
Pentland Investment Trust	May 21
Reliant Motor	May 22
Sungei Bahru Rubber Estates	May 14
Finals—	
Beattie (James)	May 8
Cakebread, Robey	May 28
Clifford (Charles) Industries	May 12
Copydex	May 14
Dom Holdings	May 22
Dualvest	May 8
External Investment Trust	May 13
Fine Art Developments	May 20
Folkes (John) Hefo	May 14
Hartwells	May 20
London Pavilion	May 12
Readicut International	May 19
Scottish European Investment	†May 8
Sears Holdings	May 11
Transatlantic and Gen. Invest.	May 13
Uniflex	May 8
Young Companies Inv. Trust	May 11

† Amended.

NO PROBES

The proposed mergers between Grand Metropolitan and Warner Holidays and Hawley Leisure and Provincial are not to be referred to the Monopolies Commission.

Brixton Estate profit up

PRE-TAX profit of Brixton Estate increased from £2.32m to £3.07m in 1980. At the half year stage the pre-tax figure stood at £1.63m compared with £1.7m for the same period in the previous year.

Rental income for 1980 came out at £10.56m (£8.59m). Investment profit emerged at £3.81m (£2.79m) and dealing profit at £285,000 (£525,000), making a gross profit of £4.1m (£3.32m).

A final dividend of 1.69p (1.21p restated) per 25p share has been recommended making a total for the year of 3.15p (2.42p). A free scrip issue of one for five is also proposed.

The net asset value of the company, including development properties at cost, is £110m (£81m). The 1980 figure includes the proceeds of a rights issue.

A valuation of completed and let properties both in the UK and overseas at the year-end shows a surplus over book value of £14.9m. The investment portfolio was last valued at the end of 1979. Properties held for or in the course of development have been valued by the directors and their value in aggregate exceeds their book value.

BIDS AND DEALS

Common Bros. on verge of major acquisition

COMMON BROTHERS, the Newcastle-upon-Tyne shipowner manager and insurance broker, is engaged in talks which could lead to a large shipping acquisition.

The company yesterday requested a temporary halt to dealings in its shares. At the suspension price of 310p the company is valued at £9.33m.

The suspension was followed by a short statement from the company that it was "having discussions which may lead to the acquisition of substantial shipping assets."

The company would not elaborate on this yesterday. A spokesman said that the talks had been going on for a short while and a detailed announcement was expected to be made "in days rather than weeks."

In the year ended June 30, 1980 the group produced its first trading surplus since 1975. Pre-tax profits in that year amounted to £2.21m compared with £1.97m. The group made its money from three product tankers which, thanks to hardening freight rates, produced a profit for the year without recourse to the asset sales which put the previous year into the black.

Last month the group sold one of its product tankers, Mr. Newburn, for a total consideration of some £7m. This tanker was one of two purchased last summer for a total of £5.5m.

The group also acquired last year the Bahama Cruise Line which, with the SS Veracruz, is engaged in seven and 14-day and 14-day cruises primarily geared to the U.S. and Caribbean markets.

Substantial shareholders in Common are British and Commonwealth Shipping with a 33.8 per cent stake, Electra Investment Trust with 13.9 per cent and the Commons directors and family interests with around 19 per cent.

B and C mounted an unsuccessful 200p per share bid for the company two years ago following the acquisition of an additional 18 per cent stake from Gosforth Industrial Holdings (the old Swan Hunter Group).

In 1978 Mr. G. A. Common, a director, had tried to buy a 16 per cent stake held by a B and C subsidiary at 105p per share to add to his existing 11 per cent holding.

Willis Faber chief sells

Mr. Ronald Taylor, chairman of Willis Faber, the insurance broker with large Lloyd's of London interests, has reduced his beneficial share holding in the group by 500,00 ordinary shares. The shares were sold at 317p each on April 28 which values the deal at £1.6m.

In the latest report and accounts of the group for the 1980 financial year Mr. Taylor's total beneficial holding was shown as 650,000 shares at January 1 this year. His non beneficial holding stood at 100,000 shares.

HAMBRO LIFE AND ALLIED HAMBRO IN INTEGRATION TALKS

Hambro Life Assurance and Allied Hambro yesterday confirmed that they were having discussions on establishing closer links. This would most likely lead to Hambro Life acquiring the share capital of Allied Hambro.

Hambro Life is the largest linked life company in the UK, recently celebrating its 10th anniversary with funds in excess of £1bn, while Allied Hambro is in the top five unit trust groups with funds of £440m. The two companies already have strong links, Allied Hambro being the equity fund managers for Hambro Life. Hambro Life holds about 60 per cent of Allied Hambro's funds.

Unit trust groups are now paying much more attention to the marketing of their funds, especially through insurance brokers and other insurance intermediaries. Hambro Life has one of the most sophisticated and comprehensive marketing organisations in the life assurance industry, but at present the marketing between the two groups is not integrated.

Mr. Mark Weinberg, chief executive of Hambro Life, said that the groups were still studying the implications of integration and the best methods of carrying this out. He admitted that the cleanest method would be by a takeover of Allied Hambro by Hambro Life.

Allied Hambro is owned 100 per cent by Hambros, which also holds 44.8 per cent of Hambro Life. Thus any offer is almost certain to be a cash offer.

Bardsey climbs into the black

BARDSEY, the quoted property company in which Mr. John Bentley has a large interest, has reported profits of £142,000 for 1980, compared with a loss of £191,000. Sales soared from £2.78m to £6.66m.

Mr. Bentley is stepping down as chairman of the company although he is remaining a director.

Bardsey, which has been built up by Mr. Bentley from the Tebbitt tannery group, changed dramatically in 1980. Shareholders' funds have increased from £278,000 to £5.84m.

Mr. Bentley comments on the proposed board changes at Bardsey in a circular seeking shareholders' approval for the £5.7m acquisition of London and European Group.

He says that at the time of the acquisition by Bardsey of Hensher (Furniture Trades), three additional directors—Messrs. A. H. Westropp, O. D. Stanley and the Hon. M. O. W. Pearson—were appointed to the board of Bardsey.

He explains that following this latest deal Mr. Pearson's interests will be further enlarged and he believes it is in teh best long-term interests of the company that a new chairman, indicative of Mr. Pearson's financial commitment to the company, should be appointed.

Mr. L. G. Stopford Sackville, 48, connected by marriage to the Pearson family, has been invited to join the board and he will become chairman on May 28.

Following the board changes, Mr. Bentley has sold 1m ordinary shares of the company to Mr. Pearson and his trusts at 30p per share.

London and European have reported pre-tax profits before extraordinary items of £1.12m for 1980 compared with £1m. But after writing down the cost of a 12.5 per cent investment in Newman Industries by £1.1m and dividends payment it incurred an attributable loss.

Okhai deal preserves part of Scotland's heritage

NESTLE, the Swiss-based multinational foods group, yesterday agreed to sell its James Keiller marmalade and confectionery business to a small Dundee company, Okhai.

Nestle announced last September that it planned to close *the Keiller subsidiary as part of* its major reorganisation of its confectionery business. However, Keiller continued to trade while a buyer was being sought.

Keiller has been in business in Dundee for 185 years and is the original producer of Dundee marmalade, as well as a number of confectionery brands.

Nestle's decision to scale down its involvement in confectionery in the UK reflects the static position of the UK market. Britain, with a confectionery market worth £1.9bn last year, is one of the largest confectionery markets in the world. But a combination of higher VAT and the recession led to a 5 per cent volume fall in sales last year.

Okhai is a small family-owned Dundee company whose main business is packaging and stationery. Neither company would reveal the cost of the acquisition, but the deal is being assisted by the Scottish economic planning department in Glasgow.

Okhai will take over Keiller in August, and until then the company will continue to trade normally. There will be some redundancies from the present 270 workforce, although the exact numbers will depend on talks between the companies and trade unions.

Dr. A. Okhai, managing director, said yesterday that he felt very strongly that Keiller should continue in operation "because it is a part of Scotland's heritage."

Bayfine sheds 76% stake in Highgate Optical

Bayfine has shed its 76 per cent stake in Highgate Optical and Industrial Company, which earned a £3,000 pre-tax profit in *the half-year to June 30th, 1980.* The holding has been distributed to Bayfine shareholders.

The demerger was approved by the Inland Revenue earlier this year and leaves joint chairman Mr. Ian Rankin and Mr. Richard Windsor-Clive with around 30 per cent of Highgate, hek

Because both men are also shareholders in Bayfine—Mr. Rankin with 25 per cent and Mr. Windsor-Clive with some 30 per cent through his family—the Takeover Panel has not required them to make a full bid for Highgate, as is normally the case with holdings over 30 per cent.

Bayfine, owner of a Dutch employment agency company called Content Beheer with computer software and publicity interests, bought its Highgate stake in the mid-1970s

LONDON TRADED OPTIONS

(May 5 Total contracts 1,260)

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	360	52	27	66	—	78	—	392p
BP	390	32	43	46	1	56	1	"
BP	420	16	32	32	—	—	—	"
BP	460	8	1	—	—	—	—	"
Com. Union	130	48	1	52	—	—	—	170p
Com. Union	140	38	1	42	4	46	—	"
Com. Union	160	21	34	27	—	30	—	"
Com. Union	180	10	58	15	1	19	—	"
Cons. Gold	460	45	1	56	—	73	1	470p
Cons. Gold	500	27	6	40	—	58	—	"
Cons. Gold	550	15	10	25	—	—	—	"
Courtaulds	60	13	8	17	—	20	—	71p
Courtaulds	70	8	13	11	2	15	—	"
Courtaulds	80	2½	10	7	52	10	37	"
GEC	550	128	—	148	1	—	—	561p
GEC	600	78	2	98	—	—	—	"
GEC	700	16	72	33	51	53	—	"
Grand Met.	180	26	5	30	5	—	—	199p
Grand Met.	200	12	37	19	—	25	—	"
Grand Met.	220	5	31	10	7	15	2	"
ICI	280	38	—	44	—	55	1	308p
ICI	300	30	9	32	15	42	—	"
ICI	330	13	15	22	14	32	11	"
ICI	360	7	10	—	—	—	—	"
Land Sec.	420	20	7	35	15	46	—	420p
Land Sec.	460	6	21	17	—	—	—	"
Marks & Sp.	120	22½	—	27	1	—	—	137p
Marks & Sp.	130	15	16	20	—	27	—	"
Marks & Sp.	140	9	9	14½	—	19	19	"
Shell	360	52	20	62	—	70	—	386p
Shell	390	31	8	42	1	52	—	"
Shell	420	16	65	27	—	—	—	"
Shell	460	7	1	18	—	—	—	"
Totals			563		170		72	
		May		August		November		
Barclays B'k	360	65	2	75	—	78	—	418p
Barclays B'k	420	8	2	28	—	38	10	"
Imperial Gp.	80	1	—	3	41	5	2	71p
Lasmo	500	80	3	107	1	120	—	574p
Lasmo	550	40	22	72	8	90	4	"
Lasmo	600	15	56	42	10	62	1	"
Lasmo	650	7	11	27	1	40	—	"
Lasmo	700	3	—	17	—	25	21	"
Lonrho	100	2½	8	8	6	11	—	94p
Lonrho	120	1	—	2½	1	—	—	"
P. & O.	140	17½	78	24	5	28	5	157p
P. & O.	160	4½	101	11	7	15½	2	"
P. & O.	180	2	10	5	6	8½	1	"
Racal Elec.	360	13	75	36	—	49	—	371p
Racal Elec.	390	2	28	16	3	32	—	"
RTZ	460	—	—	100	4	110	—	550p
RTZ	494	45	27	—	—	—	—	"
RTZ	500	—	—	65	11	80	—	"
RTZ	550	20	18	40	24	50	13	"
Totals			441		198		59	

This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to First Charlotte Assets Trust Public Limited Company ("First Charlotte"). The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

A copy of this document, having attached thereto the documents specified below, has been delivered to the Registrar of Companies in Edinburgh for registration.

Application has been made to the Council of The Stock Exchange for the whole of the share capital of First Charlotte, both issued and to be issued, to be admitted to the Official List.

First Charlotte Assets Trust

Public Limited Company

(Incorporated in Scotland under the Companies Acts 1948 to 1980 No. 74677)

Placing by **James Capel & Co.** of 30,000,000 Ordinary Shares of 5p each at 10p per share

Directors
Peter Edward Gerald Balfour (Chairman), Scadlaw House, Humbie, East Lothian
Robert Alexander Hammond-Chambers, M.A., Grange Dell, Penicuik, Midlothian
Dr. Thomas Lothian Johnston, M.A., Ph.D., F.R.S.E., 14 Mansionhouse Road, Edinburgh
Richard Geoffrey Newbery, M.A. (Econ.), 4 Clarke Wood Close, Wiswell, Blackburn, Lancashire

Secretary and Registered Office
David Thomas McLeod Ross, A.C.C.A.
One Charlotte Square,
Edinburgh EH2 4DZ

Investment Managers
Ivory & Sime Limited
One Charlotte Square,
Edinburgh EH2 4DZ

Share Capital

Authorised		Issued and to be issued fully paid
£1,500,000	in 30,000,000 Ordinary Shares of 5p each	£1,500,000

Indebtedness

At 6th May, 1981 First Charlotte had no loan capital outstanding or created but unissued and no outstanding mortgages, charges, borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments, or guarantees or other material contingent liabilities.

Registrars and Transfer Office
Bank of Scotland
26a York Place,
Edinburgh EH1 3EY

Auditors and Reporting Accountants
Arthur Young McClelland Moores & Co.
Chartered Accountants,
17 Abercromby Place,
Edinburgh EH3 6LT

Bankers
The Royal Bank of Scotland Limited
62 Lombard Street,
London EC3P 3DE

Solicitors
Shepherd & Wedderburn W.S.
16 Charlotte Square,
Edinburgh EH2 4YS

Stockbrokers
James Capel & Co.
Winchester House,
100 Old Broad Street,
London EC2N 1BQ
and The Stock Exchange

Introduction

First Charlotte is an investment company, the objective of which is to provide investors with a portfolio of investments in smaller companies, in particular unquoted companies and companies quoted on the Unlisted Securities Market. Such companies can develop into larger listed companies and the Directors believe that there is considerable profit to be made by investing in such companies during this transition.

In comparison with larger companies, smaller companies have certain advantages. For instance, they can have:—

(i) greater opportunity to grow by capturing market share;
(ii) the possibility of better industrial relations;
(iii) less bureaucratic administration and lower overheads;
(iv) greater flexibility to adapt to technological and other developments.

On the other hand smaller companies also have certain disadvantages. For example, their securities may be less marketable than those of larger companies and they may find it difficult to attract and retain first-class management.

Political recognition of the contribution that growing small companies can make to national economic growth and employment has resulted in a number of measures being enacted by successive governments designed to facilitate the raising of finance by such companies.

The Stock Exchange has also contributed by making it possible for small unlisted companies *to raise capital and use the market facilities by introducing the new Unlisted Securities Market* ("USM").

In addition The Stock Exchange has recently announced changes to its requirements governing the listing of investment trusts and investment companies. As a result an investment company with a portfolio of unlisted securities may seek a listing on The Stock Exchange. Such a company can also qualify as an approved investment trust in accordance with Section 359 of the Income and Corporation Taxes Act 1970 (as amended) if its affairs are conducted so as to satisfy the conditions laid down therein.

The Directors consider that investment in such smaller companies requires more detailed *assessment than that for larger, established, companies. The appraisal of such investments is* time consuming both initially and on a continuing basis.

The Directors therefore believe that there is a demand for a new investment company, with the taxation advantages of an approved investment trust, which would invest its assets in a portfolio of small companies, particularly in USM companies.

Investment Policy

It is the intention of the Directors to invest the assets of First Charlotte so as to achieve *long term capital appreciation.*

The assets will be invested in a number of different manufacturing and service industries with the intention of achieving a balanced portfolio of investments. It is anticipated that approximately 70 per cent. of the assets will be invested in the U.K.; the balance will be invested in small companies overseas, particularly North America.

The portfolio will consist predominantly of *securities in unquoted companies, companies* quoted on the USM and those quoted on the NASDAQ system in the United States. Although *the Directors may invest all the assets of* First Charlotte in unlisted securities, it is not their intention to do so initially.

The portfolio will be managed to take a long term view of the prospects of the underlying companies. It is unlikely that high dividends will be paid by these companies as they are more likely to have policies of re-investment of earnings to finance growth. The Directors therefore expect that interest in First Charlotte as an investment will centre on its capital growth potential.

The Directors will not normally expect to have Board representation and will not take legal or management control of *underlying investments, which will remain investments rather than* subsidiaries.

The Directors intend that First Charlotte will so conduct its affairs as to satisfy the conditions required for it to be approved as an investment trust in accordance with Section 359 of the Income and Corporation Taxes Act 1970 (as amended). Not more than 15 per cent. of the consolidated assets of First Charlotte and any subsidiaries (before deducting borrowed money) will be lent to, or invested in the securities of, any one company (other than another investment trust which has been approved by the *Inland Revenue or which would qualify for such approval* but for the fact that it is not listed) including loans to or shares in any subsidiary of First *Charlotte.*

First Charlotte proposes to give notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to Section 41 of the Companies Act 1980.

Directors

P. E. G. Balfour (59) (Chairman) is Chairman of Edinburgh American Assets Trust P.L.C., a listed investment trust which invests in a portfolio of small listed and unlisted securities mainly in North America. He is also Chairman of The Scottish Council (Development & Industry) and Scottish & Newcastle Breweries Limited and a Vice-Chairman of The Royal Bank of Scotland Limited.

R. A. Hammond-Chambers (38) is a director of Ivory & Sime Limited and GBC Capital Limited, a Montreal based investment company whose assets of C$130 million are invested in a portfolio of small Canadian and American growth stocks.

Dr. T. L. Johnston (54) is a consulting *economist who was previously a Professor* of Economics at Heriot-Watt University in Edinburgh. He was Chairman of the Manpower Services Committee for Scotland *and is a member of The Scottish* Economic Council. *He has been a part* time member of the Scottish Telecommunications Board since 1977.

R. G. Newbery (50) is an executive director of Charles W. Hall Limited, an unlisted company based in Leicester, and a non-executive director of Baird Textile Holdings Limited, a subsidiary *of William* Baird P.L.C., a company listed on The Stock Exchange, and Fourtex B.V., a small Dutch consulting group formed to handle industrial investment assignments outside the U.K.

Management

First Charlotte *has entered into an agreement with Ivory & Sime Limited* ("Ivory & Sime") of Edinburgh, Scotland, whereby Ivory & Sime will act as managers to First Charlotte for a quarterly fee *payable in advance equal to 0.25 per cent.* of the value of shareholders' funds (as defined therein) of First Charlotte. Ivory & Sime will formulate recommendations to the *Directors and supervise* the investments.

The day to day management of First Charlotte's portfolio will be performed by personnel within Ivory & Sime who have specialist experience in investing in small and medium sized companies.

Ivory & Sime consider that the assessment of a company's management is the most important part of the investment selection process. *Careful financial analysis of a company's* balance sheet strength, cash flow and profitability is also undertaken in this process. A considerable amount of time is therefore *spent* by Ivory & Sime *in visiting companies and keeping in direct contact with the management.* Ivory & Sime *also believe that personal commitment* by way of ownership is fundamental to the motivation of a company's management.

Managers

Ivory & Sime is a company founded as a partnership in 1895 whose only business is that of investment management. It currently manages five listed investment trusts, namely Atlantic Assets Trust P.L.C., British Assets Trust P.L.C., Edinburgh American Assets Trust P.L.C., The Independent Investment Company, P.L.C. and Viking Resources Trust P.L.C. It also manages a large number of pension funds, charities and private portfolios, both in the U.K. and overseas, and has investment advisory contracts with a number of institutional and individual investors. Total funds under discretionary management are approximately £700 million.

Dividend Policy

As a result of First Charlotte's investment policy, it is likely that net *revenue and consequently* dividends will be small.

It is the Directors' intention to retain no more than 15 per cent. of the income derived from shares and securities so as to ensure that First Charlotte qualifies for investment trust status for tax purposes. Dividends will only be paid to the extent that they are covered by dividends received from underlying investments, shares of profits of associated companies being unavailable for this purpose.

The dividend will be in the form of a single payment made in or about June in each year commencing in 1982.

Taxation

It is anticipated that First Charlotte will not be a close company following completion of the placing. On the basis that First Charlotte is approved as an investment trust in accordance with Section 359 of the Income and Corporation Taxes Act 1970 (as amended), any gains on sales of investments realised by First Charlotte will not, under current legislation, be chargeable to corporation tax. Any prospective shareholder who is unsure about the significance for tax purposes of an approved investment trust should consult his own tax adviser.

Accounts and Accountants' Report

Annual accounts will be made up to 31st March in each year. First Charlotte's first *accounting period will end on 31st March, 1982.*

The following is the text of a report received by the Directors of First Charlotte from Arthur Young McClelland Moores & Co., Chartered Accountants, the Auditors of First Charlotte:—

The Directors,
First Charlotte Assets Trust Public Limited Company,
One Charlotte Square,
Edinburgh EH2 4DZ

17 Abercromby Place,
Edinburgh EH3 6LT
6th May, 1981

Gentlemen,

We report that First Charlotte Assets Trust Public Limited Company was incorporated on 5th May, 1981. The Company has not yet commenced business, nor has it made up any accounts or declared any dividends.

Yours faithfully,
Arthur Young McClelland Moores & Co.
Chartered Accountants

Statutory and General Information

1. Share Capital

First Charlotte was incorporated in Scotland under the Companies Acts 1948 to 1980 on 5th May, 1981 with an authorised share capital of £1,500,000 divided into 30,000,000 Ordinary Shares of 5p each, of which the two subscriber's shares have been issued at 10p each and are included in the *placing arrangements.*

First Charlotte has not carried on business or incurred borrowings pending the issue by the Registrar of Companies of a certificate under Section 4 of the Companies Act 1980.

2. Placing Arrangements

By the Placing Agreement entered into on 6th May, 1981 (*material contract* (a) in paragraph 6 below) James Capel & Co. *have agreed, conditionally on the Council of The Stock Exchange admitting* the whole of the issued share capital of First Charlotte to the Official List on or before 12th May, 1981, to use reasonable endeavours to procure applications for a total of 30,000,000 Ordinary Shares of 5p each of First Charlotte at 10p per share for the aggregate subscription of £3,000,000. The Placing Agreement provides for First Charlotte to pay the capital duty on the shares being issued, the expenses of and incidental to the listing of the whole of First Charlotte's issued capital (including the costs of printing, advertising and distributing this document, all accountancy expenses and its own legal expenses) and a fee of £37,500 to James Capel & Co. who will pay their own legal expenses. The total expenses payable *by First Charlotte,* including the fee to James Capel & Co., are estimated to amount to approximately £100,000 (including V.A.T. where applicable).

3. Articles of Association

The Articles of Association of First Charlotte contain (*inter alia*) provisions to the following effect:—

Directors

(i) A Director shall not be required to hold any shares of First Charlotte by way of qualification. A Director who is not a member of First Charlotte shall be entitled to attend and speak at *General Meetings.*

(ii) Save as provided by contract or the Articles of Association to the contrary, all unissued shares shall be at the disposal of the Directors, and the Directors are authorised to allot, grant options over or otherwise deal with or dispose of the same to such persons, and at such times and generally on such terms and conditions as they think proper, and Section 17 of the *Companies Act 1980 shall not apply to any allotment of shares made by the Directors as* aforesaid, but the authority given to the Directors shall terminate on the date five years from the date of incorporation of First Charlotte and thereafter no shares shall be issued by the Directors (otherwise than in pursuance of an offer or agreement made by the Directors before the expiry of the authority as aforesaid) except with such authority and on such terms and conditions as First Charlotte in *General Meeting may by ordinary resolution determine.*

(iii) The Chairman and other Directors of First Charlotte shall be paid such remuneration (by way of fee) for their services as may be determined by the Directors save that unless otherwise approved by First Charlotte in General Meeting the aggregate amount of such remuneration shall not exceed £30,000. Such remuneration shall be deemed to accrue from day to day. The Directors are also entitled to be paid all travelling, hotel and incidental expenses incurred by them in connection with the business of First Charlotte. Any Director appointed to executive *office or who serves on any committee or who devotes special attention to the business of* First Charlotte or who otherwise performs services outside the scope of his ordinary duties may be paid such extra remuneration as the Directors may determine.

(iv) A Director may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under First Charlotte or whereat the *terms of any such appointment are arranged, and he may vote on any such appointment or* arrangement other than his own appointment or the arrangement of the terms thereof.

(v) The Directors may pay and agree to pay pensions or other retirement, superannuation, death or disability benefits or allowances to or to any person in respect of any Director or former Director who may hold or may have held any *executive office or employment* under First *Charlotte or any subsidiary of First Charlotte or its holding company (if any)* and for the purpose of providing any such pensions or other benefits or allowances may contribute to any scheme or fund and may make payments towards insurance or trusts in respect of such persons.

(vi) Section 185 of the Companies Act 1948 relating to the retirement and re-appointment of Directors over the age of 70 applies to First Charlotte.

(vii) Subject to certain exceptions a Director shall not vote in respect of any contract or arrangement in which he is interested and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting.

Borrowing Limits

The Board shall restrict the borrowings of First Charlotte and its subsidiaries (excluding amounts borrowed by any such company from any other of them) to an amount which shall not exceed (without the previous sanction of an ordinary resolution of First Charlotte) twice the aggregate *of the amount paid up on the issued share capital of First Charlotte and the amounts standing to* the credit of the capital and revenue reserves of First Charlotte and its subsidiaries (calculated in accordance with the Articles of Association).

Votes of Members

On a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.

Dividends

Appreciation in the value of capital assets and realised profits resulting on a sale of capital assets shall not be treated as profits available for dividend.

4. *Interests of Directors and Others in the Ordinary Shares of First Charlotte*

Immediately after the placing the interests, which will all be beneficial, of the Directors and their families in the share capital of First Charlotte, as will be shown in the Register maintained pursuant to the Companies Act 1967, will be as follows:—

Name of Director	*Ordinary Shares of 5p each*
P. E. G. Balfour	10,000
R. A. Hammond-Chambers	25,000
Dr. T. L. Johnston	5,000
R. G. Newbery	43,750

Immediately after the placing it is expected that the undermentioned persons will hold 5 per cent. *or more of the issued share capital of First Charlotte:-*

Name	*Ordinary Shares of 5p each*
Phoenix Assurance Company Limited	2,500,000
Standard Life Assurance Company	2,250,000

5. Directors' Other Interests

R. A. Hammond-Chambers, as a shareholder of Ivory & Sime, is materially interested in the investment management agreement between First Charlotte and Ivory & Sime (paragraph 6 (b) below). Save for such investment management agreement, there is no contract or arrangement subsisting as at the date of this document in which a Director is materially interested and which is significant in relation to the business of First Charlotte taken as a whole.

6. *Material Contracts*

The following contracts entered into by First Charlotte (otherwise than in the ordinary course of business) are or may be material:—

(a) Dated 6th May, 1981 being the Placing Agreement between First Charlotte and James Capel & Co., whereby James Capel & Co. have agreed, conditionally, to use reasonable endeavours *to procure applications for a total of 30,000,000 Ordinary Shares at a price of 10p per share.*

(b) Dated 6th May, 1981 between First Charlotte and Ivory & Sime, whereby Ivory & Sime have agreed to act as Investment Managers to First Charlotte (subject to termination by not less than three years' notice by either party) for a quarterly fee payable in advance equal to 0.25 per cent. of the value of shareholders' funds (as defined therein) of First Charlotte.

7. *General*

(i) Save as disclosed in paragraphs 1 and 2 above:—

(a) No share or loan capital of First Charlotte has been issued for cash or for a consideration other than cash and no such capital of First Charlotte is now proposed to be issued;

(b) No commissions, discounts, brokerages or other special terms have been granted by First Charlotte in connection *with the issue or sale of any share or loan capital.*

(ii) No share or loan capital of First Charlotte is under option or is agreed conditionally or unconditionally to be put under option.

(iii) Save for the placing, no material issue of shares (other than to shareholders pro rata to existing holdings) will be made within one year and no issue will be made which would effectively alter the control of First Charlotte without in either case prior approval of First Charlotte in General Meeting.

(iv) First Charlotte has no subsidiaries.

(v) No allotment of shares will be made unless a minimum of 25,000,000 Ordinary Shares of 5p each of First Charlotte is *subscribed. Payment of 10p per share on these shares will* (*inter alia*) provide the minimum amount which in the opinion of the Directors must be raised in order to provide the sums required to be provided in respect of the matters specified in paragraph 4 of Part I of the Fourth Schedule to the Companies Act *1948*, namely £2,500,000, made up as follows:—

Purchase price of property	Nil
Preliminary expenses and commissions	*£37,900*
Repayment of monies borrowed in respect of any of the above matters	Nil
Working capital	£2,462,100

(vi) The preliminary expenses of First Charlotte are estimated to amount to approximately £400 and the expenses of and incidental to the issue of and listing for the whole of First Charlotte's issued capital (including the capital duty, registration fees, the expenses of *printing, advertising and distributing* this document, legal and accountancy fees and the fee to James Capel & Co. mentioned in paragraph 2 above) are estimated to amount to £100,000 (including V.A.T. where applicable). All these expenses are payable by First Charlotte. If no allotment of shares is made the expenses will be met by the Directors.

(vii) Save as disclosed in paragraphs 5, 6 (b) and 7 (xii), no amount or benefit has been paid or *given to any promoter of First Charlotte and none is intended to be paid or given.*

(viii) No Director has or is proposed to have a service contract with First Charlotte.

(ix) First Charlotte is not engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened against First Charlotte.

(x) No Director of First Charlotte has, or preceding the publication of this document had, any *interest in any assets acquired, disposed of or leased* to or by, or proposed to be acquired, disposed of or leased to or by First Charlotte.

(xi) Arthur Young McClelland Moores & Co. have given and have not withdrawn their written consent to the issue of this document with the inclusion herein of their report set out above in the form and context in which it is included.

(xii) It is estimated that the aggregate emoluments of the Directors for the financial period ending 31st March, 1982 will not exceed £6,500.

8. Registration

A copy of this document having attached thereto a copy of the Placing Letter and of the Form of Application, a copy of the consent mentioned above, a copy of the Accountants' Report and a copy of each of the material contracts listed above, has been delivered to the Registrar of Companies in Edinburgh for registration.

9. *Documents for Inspection*

Copies of the following documents will be available for inspection at the offices of James Capel & Co., Winchester House, 100 Old Broad Street, London EC2N 1BQ and *Shepherd & Wedderburn W.S.,* 16 Charlotte Square, Edinburgh EH2 4YS during normal business hours on any weekday (excluding Saturdays and public holidays) until 22nd May, 1981:

(a) the Memorandum and Articles of Association of First Charlotte;

(b) the report of Arthur Young McClelland Moores & Co. and their written consent referred to above; and

(c) the contracts specified under "Material Contracts" above.

Dated 6th May, 1981.

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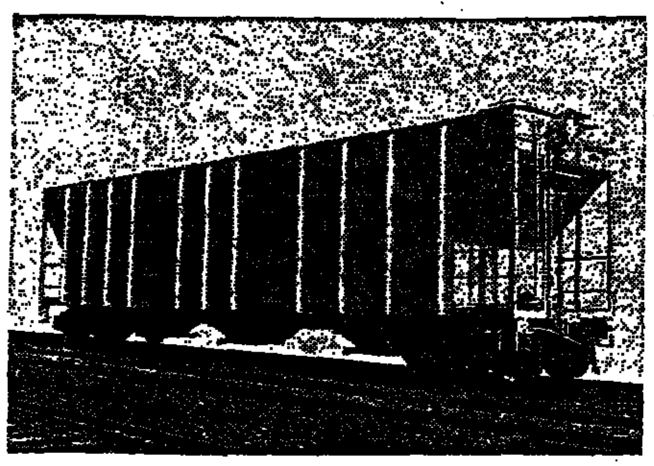

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Colour folders, mail-order catalogues, travel brochures, maps, sales presentation kits, posters, group service brochures, corporate stationery ranges—they're all our business. We aim not to cost you money, but to make money for you, as we have done for so many.

If you would like us to show you what we've done for others or demonstrate what could be done for you, write to Simon Nutt, B.B.B. Design/Print, 34a Hereford Road, London, W2 4AJ, or phone 01-229 8632.

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Obtain details of our

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Contact: S. E. Finch Tel.: 0424 430824.

or Telephone:
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Birmingham 021-454 7962.
Newcastle 0632 614545.
Leeds 0532 444578.
Manchester 061-236 9777.
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Write Box F2083, Financial Times, 10 Cannon Street, EC4P 4BY.

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For full details of this opportunity to profit from one of the few remaining growth areas in the economy, contact: **Raymond Winter, Microflex Ltd., Worton Hall, Worton Road, Isleworth Middx TW7 6ER. Tel: 01-568 6281**

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London, SE16

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Write Box F2119, Financial Times, 10 Cannon Street, EC4P 4BY.

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Financial Times
10 Cannon Street, EC4P 4BY

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— Having an Italian Agent
— Joint Ventures

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Corso Europa, 12
20122 MILANO—Italy.
Telex: 316272 CASTMI
(Attn. J. Moore)

Business Address

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Please contact:
Mr. R. Stanley, Managing Director, Telephone 01-515 1414

EIU Special Report No. 95

The UK as a Tax Haven

The legislative changes of recent years have so improved the UK tax environment that paying taxes at anything above tax haven rates has become a largely voluntary matter for most concerns and many individuals. With direct incentives to industry also taken into account, the UK may be described as the world's leading tax haven. EIU Special No. 95 concludes with a section on tax evasion and how it is countered by the Inland Revenue.

Price £50. Payment with order please to The Economist Intelligence Unit Limited, Subscription Department (FT), 27 St. James's Place, London SW1A 1NT. Telephone: 01-493 6711.

Manufacturing Company

in Baildon, West Yorkshire

with substantial Land Bank seeks Developer of Industrial Unit. Joint Partnership or other participation.

Please apply to Box F2126. Financial Times, 10 Cannon Street, EC4P 4BY.

PROFITABLE

well established private company wishes to acquire whole or majority stake in manufacturing company involved in soft drinks, pet foods, snack foods, bakery products or similar. Turnover £250,000-£2m Co-operation with us would suit proprietor seeking retirement, company with cash flow problems or larger group seeking divestment.
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Further information:
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REQUIRED McINTYRE or similar chocolate refiner. Contact Kenneth, 01-340 7641, Telex 24303 G.

World Franchise

The magazine for people looking for a franchise. Also conference on franchise opportunities, Portman Hotel, London. Saturday, July 11. Brochures from James House, 37 Nottingham Road, London SW17 7EA. Tel. (24-hr) 01-767 1371.

MIDDLE EAST

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Successful
British Public Group

wishes to expand by acquiring companies in the electronics field, around £5 million turnover, profitable or otherwise. Intention is to buy out existing management.

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00186 ROMA (Italy)
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With favourable track record developing and marketing high technology products/systems worldwide and necessary skills in professional management as company Chief Executive. Experienced in several industries. Available for short management and marketing consulting assignments in UK or overseas.

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some 40 miles south of Colombo. Total cost £1.5m. 60% investment and operational management sought by our client due London May 8.

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ACCESS TO U.S. Data Banks, N.Y. Times, Lockheed, etc. Phone 01-582 2211, or telex 894354.

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This course is designed to meet the needs of those who are already using the methodologies of Operational Research in their work and wish to extended their knowledge of the more advanced techniques used in industry.

An intensive series of lectures is provided together with limited exercises in the use of the techniques which are undertaken by course members. The exercises are in general based upon actual industrial studies.

Applications and enquiries to:

The Bookings Secretary
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Edgbaston Park Road, Birmingham B15 2RA
Telephone: 021-456 0921

UK COMPANIES

Milletts profit cut to £840,000

PRE-TAX profit of Milletts Leisure Shops fell from £1.6m to £840,000 for the 53 weeks to February 2, 1981, on turnover up from £14.15m to £16.64m.

Included in this profit figure was £235,000 (£58,000) surplus on the sale of properties.

At the half-year stage the company made a pre-tax profit of £306,000 (£595,000) and turnover stood at £7.43m (£6.41m).

Mr. Alan Millett says the reduction in profits was a result of adverse trading conditions, an increase in interest charges from £127,000 to £412,000 and higher depreciation of £436,000 against £317,000. In addition, the mild, dry winter has not been helpful.

In the current year trading has continued to be difficult. Turnover, however, for the first quarter was over 20 per cent higher than for the corre[...]ing period last year.

The final dividend is [...]tained at 4p per 20p [...] making an unchanged [...] 6.95p for the year.

Mr. Millett reports: "W[...] undertaken a forward [...] capital expenditure prog[...] and the investment in the [...]ing or resiting of 16 shops [...] the past year will help [...] that the company is ver[...] placed to take advantage [...] upturn in economic cond[...]

Tax for the year came [...] a credit of £1,000 ([...] charge) and after an ex[...]nary item of £62,000 (nil) dividends absorbing £[...] (£312,000), the retained [...] emerged at £542,000 (£[...] The earnings per share are [...] at 16.2p (27.7p).

DIVIDENDS ANNOUNCED

	Current payment	Date at payment	Corre-sponding div.	Total for year	T[...] l[...] y[...]
Altifund	8.75	July 10	8.5	13.75	[illegible]
Ambrose Inv. Trust	4.3	July 23	4.1	7.1	[illegible]
Bellway ... int.	3	July 9	3	—	[illegible]
Brixton Estate	1.69	July 25	1.21*	3.15	[illegible]
Chesterfield Props.	3.5	July 11	3	6	[illegible]
Continental Union	4.25	—	4.25	6.25	[illegible]
Feedex	0.45	July 3	0.89	1.1	[illegible]
P. C. Henderson	5.75	July 1	5.75	8	[illegible]
Holt Lloyd Intnl.	1.67	July 31	1.67*	3.17	[illegible]
Hunting Gibson	4	—	3	6	[illegible]
Jenks and Cattell ... int.	0.5	July 4	1.5	—	[illegible]
Lon/Prov Shop Cen int.	0.6	—	0.5	—	[illegible]
Matthew Hall	6.55	July 1	5.46	8.53	[illegible]
Milletts	4	July 15	4	6.95	[illegible]
P & O	5	July 2	4	8	[illegible]
C. H. Pearce & Sons int.	4	June 19	2.5	—	[illegible]
J. Sainsbury	5	July 24	3.63*	7.25*	[illegible]
Smith St. Aubyn	6	June 18	4.5	10.5	[illegible]

Dividends shown pence per share net except where otherwise s[...]
*Equivalent after allowing for scrip issue. †On capital incr[...] by rights and/or acquisition issues.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov Vol.	Nov Last	Stock
GOLD C	$500	—	—	17	30.50	8	50	$48[...]
GOLD C	$525	—	—	3	23A	5	38	"
GOLD C	$550	3	0.60	62	14	105	30	"
GOLD P	$475	27	4.50	25	18B	—	—	"
GOLD P	$500	43	18	2	32	—	—	"
		June		Sept.		Dec.		
GM C	$50	8l	5½	—	—	—	—	$52
		July		Oct.		Jan.		
ABN C	F.280	5	15	—	—	—	—	F.281
ABN C	F.300	17	5.90	—	—	—	—	"
ABN C	F.320	95	1.60	—	—	—	—	"
AKZO C	F.20	—	—	18	4.80	—	—	F.22.[...]
AKZO C	F.22.50	105	1.80	40	3.40	—	—	"
AKZO C	F.25	218	0.80	165	2.10	50	5	"
AKZO P	F.20	50	0.30	—	—	—	—	"
AKZO P	F.22.50	7	0.90	—	—	10	1.40	"
AKZO P	F.25	15	2.30B	11	2.90	15	3B	"
HEIN C	F.55	—	—	10	3.50	—	—	F.54.[...]
HEIN C	F.60	5	1	—	—	—	—	"
HOOG C	F.17.50	—	—	12	3.50	—	—	F.17.[...]
HOOG C	F.20	5	0.70	20	1.40	—	—	"
IBM P	$60	25	3½	—	—	—	—	$58
KLM C	F.110	39	17.80	—	—	—	—	F.128.[...]
KLM C	F.120	10	12	—	—	—	—	"
KLM C	F.130	41	7.40	—	—	—	—	"
KLM P	F.70	23	0.30	—	—	—	—	"
KLM P	F.90	50	1.10	—	—	—	—	"
KLM P	F.100	22	3.30	—	—	—	—	"
KLM P	F.110	22	6.20	—	—	—	—	"
NATN C	F.125	10	1.20	15	3	11	6.20	F.11[...]
PETR C	Fr.4500	5	220	—	—	—	—	Fr.4[...]
PETR C	Fr.5000	—	—	5	160	—	—	"
PHIL C	F.17.50	50	3.90B	28	4.20	—	—	F.21[...]
PHIL C	F.20	404	1.70	105	2.40	60	3.40	"
PHIL C	F.22.50	68	0.70	23	1.40	57	1.70	"
PHIL P	F.20	75	0.70	13	1.20	—	—	"
RD C	F.80	15	14	—	—	—	—	F.93[...]
RD C	F.90	51	6	22	8	—	—	"
RD C	F.95	171	3.70	—	—	—	—	"
RD C	F.100	290	2.20	71	4.50	65	5.20A	"
RD C	F.110	237	0.90	12	1.70	—	—	"
RD C	F.120	10	0.40	—	—	—	—	"
RD P	F.80	10	0.80	5	2.70	—	—	"
RD P	F.90	168	3.30	15	5.50	22	7	"
RD P	F.95	176	7	—	—	—	—	"
RD P	F.100	65	10.50	—	—	—	—	"
UNIL C	F.120	—	—	12	29	—	—	F.14[...]
UNIL C	F.130	—	—	12	20	—	—	"
UNIL C	F.140	11	8	10	8.50	—	—	"
UNIL C	F.150	22	2	—	—	—	—	"
UNIL P	F.135	—	—	13	3.20	—	—	"
		May		Aug.		Nov.		
BOEI P	$35	—	—	40	2⅝	—	—	[illegible]
SLUM C	$100	13	2½	7	8	—	—	[illegible]

TOTAL VOLUME IN CONTRACTS 3882

A=Asked B=Bid C=Call P=Put

Henry Boo[t]

Highlights of the 1980 Annual Report and Statement of the Chairman, Mr. E. H. Boot

Final dividend of 10p per Ordinary Share recommended making total of 13p.

Management of activities reorganised into three groups, Trading – United Kingdom, Trading – International and Propert[y] and Investment.

TRADING – *UNITED KINGDOM* Building – satisfactory level of turnover with modest profit; Civil Engineering – achie[ved] planned turnover and profit; Homes – management strengthen[ed] after a bad year; Railway Engineering – fair results considering adverse conditions; Foundry – production slow-down during works transfer to Leiston; Joinery – difficult year produced modest but reasonable profit; Plant – reduced activity as expected; Leisure – interests being sold.

TRADING – *INTERNATIONAL* Substantial contracts secured – interests being expanded in Far East.

PROPERTY AND INVESTMENT Satisfactory increases fr[om] mortgage and rental income – Developments achieved planne[d] profit, good prospects for 1981.

SALIENT FIGURES	1980 £'000	1[...] £[...]
Turnover	91,536	82[...]
Profit before taxation	1,704	2[...]
Taxation credit	(1,707)	[illegible]
Profit attributable to members	3,411	2[...]
Ordinary dividend	690	[illegible]
Earnings per 50p Ordinary Share	64.0p	4[...]
Earnings, excluding exceptional credit for deferred taxation, per Ordinary Share	27.6p	[illegible]
Total dividend per Ordinary Share	13p	[illegible]

Copies of the Report and Accounts obtainable from the Se[cretary,] Henry Boot & Sons Limited, Banner Cross Hall, Sheffield, S[...]

TRADING – *UNITED KINGDOM*
Building, Civil Engineering, Homes, Rail[way] Engineering, Foundry, Joinery, Plant
TRADING – *INTERNATIONAL*
Civil Engineering, Railway Engineerin[g]
PROPERTY AND INVESTMENT
Development, Property, Mortgage Fina[nce]

Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar eases

Dollar was slightly easier in currency markets yesterday, reflecting an easing in Eurodollar rates and reaction to Tuesday's sharp rise. Trading was much quieter with little fresh news to influence trading.

Sterling was mostly weaker both in dollar terms and against European currencies. Yesterday's UK banking figures had little effect on the market in view of distortions caused by current civil service industrial action.

European currencies were slightly firmer against the dollar but showed little change within the European Monetary System. The Belgian franc remained the weakest currency but was again within its divergence limit. The French franc reflected uncertainty over the outcome of the Presidential election in France and was weaker than the Italian lira which remained in second place behind the strongest currency, the D-mark.

DOLLAR — trade weighted index (Bank of England) fell to 104.6 from 105.2. The dollar finished lower compared with Tuesday's closing levels but recovered from the day's low on indications that U.S. interest rates would remain high. Against the D-mark it closed at DM 2.2580, down from Tuesday's DM 2.2655 but higher than the day's low of DM 2.2440. It eased to SwFr 2.0625 from SwFr 2.0675 against the Swiss franc and was lower in yen terms at Y216.85 against Y217.75.

STERLING — trade weighted index fell to 98.9 from 99.0 having stood at 99.1 at noon and in the morning. Sterling showed little overall change. It was slightly firmer against the dollar but showed mixed changes against European currencies. Against the dollar it opened at $2.1150 and rose to $2.1200 at noon. During the afternoon it touched a best level of $2.1280 but fell away as the dollar recovered to a close of $2.1165-2.1175, a rise of 40 points from Tuesday. Against the D-mark, the pound finished at DM 4.7825 compared with DM 4.79 and FFr 11.3250 from FFr 11.42 in terms of the French franc.

D-MARK—Strongest member of the European Monetary System and maintaining its position despite a weaker tendency in German interest rates. This has caused the D-mark to lose ground against the U.S. dollar however while U.S. rates continue to rise. Recent trade figures from the U.S. and Germany have also tended to work in favour of the dollar although tension over the situation in Poland has become less of a market factor—The D-mark was slightly firmer at yesterday's fixing in Frankfurt. The dollar lost ground to DM 2.2577 from DM 2.2695 at Tuesday's fixing and there was no intervention by the Bundesbank. The D-mark's improvement was mainly a technical reaction to the dollar's recent sharp rise. Currency movements were expected to remain at a low level ahead of today's meeting of the Bundesbank central council meeting. Elsewhere sterling eased to DM 4.7820 from 4.7950 while the Swiss franc rose to DM 1.0974 from DM 1.09585. Within the EMS, the Belgian franc rose to DM 6.134 from DM 6.125 per BFr 100 and the French franc was higher at DM 42.15 compared with DM 41.95 per FFr 100.

JAPANESE YEN—Remaining quite firm thanks to Japan's strong economic performance and showing less movement than other currencies against the dollar despite the recent sharp rise in U.S. interest rates—The Japanese yen improved against the dollar in Tokyo yesterday with the U.S. unit closing at Y217.35 compared with Y218.30 at the opening.

THE POUND SPOT AND FORWARD

May 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1120-2.1280	2.1165-2.1175	1.20-1.30c dis	−7.08	3.65-3.75dis	−6.99
Canada	2.5320-2.5450	2.5355-2.5365	1.40-1.50c dis	−6.86	4.00-4.15dis	−6.43
Nethlnd.	5.28-5.33	5.30¼-5.31¼	1c pm-par	1.13	1 pm-par	0.38
Belgium	77.75-78.15	77.85-77.95	35-45c dis	−6.16	105-120 dis	−5.78
Denmark	15.03-15.08	15.03¾-15.04¾	2¾-4¾ore dis	−2.79	11½-13½ dis	−3.36
Ireland	1.3050-1.3110	1.3055-1.3070	0.46-0.59p dis	−4.82	1.23-1.38dis	−4.00
W. Ger.	4.76-4.80	4.77½-4.78½	¼-⅛pf pm	−0.94	¾-1½ dis	−0.84
Portugal	126.00-128.00	127.20-127.40	35-110c dis	−6.83	130-300 dis	−6.76
Spain	191.50-192.50	191.60-191.80	65-110c dis	−5.48	310-365 dis	−7.04
Italy	2,379-2,386	2,380-2,382	15½-17½ lire dis	−8.32	46¼-48¼	−7.85
Norway	11.80-11.87	11.80½-11.81½	1ore pm-½ dis	0.19	¾ pm-1 dis	−0.06
France	11.25-11.40	11.32-11.33	¾-1¾c dis	−1.19	4½-5½ dis	−1.77
Sweden	10.24-10.30	10.23-10.24	3-4ore dis	−4.10	10¾-11¾ dis	−4.32
Japan	456-462	458¾-459¾	2.15-1.80y pm	5.16	5.60-5.25 pm	4.73
Austria	33.60-33.90	33.60-33.65	par-8gro dis	−1.07	6-16 dis	−1.31
Switz.	4.34½-4.37½	4.36¼-4.37¼	1¾-¾c pm	3.43	3¼-2¾ pm	2.98

Belgian rate is for convertible francs. Financial franc 80.45-80.55. Six-month forward dollar 6.70-6.80c dis, 12-month 10.40-10.60c dis.

THE DOLLAR SPOT AND FORWARD

May 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1120-2.1280	2.1165-2.1175	1.20-1.30c dis	−7.08	3.65-3.75dis	−6.99
Ireland†	1.6180-1.6300	1.6180-1.6200	0.30-0.40c dis	−2.59	1.30-1.40dis	−3.33
Canada	1.1976-1.2027	1.1985-1.1998	0.12-0.07c pm	0.95	0.33-0.28 pm	1.02
Nethlnd.	2.4990-2.5125	2.5040-2.5060	1.65-1.55c pm	7.67	4.65-4.55 pm	7.35
Belgium	36.73-36.84	36.79-36.81	3c pm-par	0.49	9-5 pm	0.76
Denmark	7.0915-7.1200	7.1025-7.1040	2.30-1.80ore pm	3.46	6.50-6.00 pm	3.52
W. Ger.	2.2440-2.2640	2.2575-2.2585	1.20-1.14pf pm	6.22	3.36-3.30 pm	5.90
Portugal	59.30-60.20	59.80-59.90	15c pm-15 dis	—	40 pm-35 dis	0.17
Spain	90.30-90.83	90.30-90.40	15c pm-par	1.00	5 pm-15 dis	−0.22
Italy	1,123-1,126	1,123-1,125	0.65-1.15 lire dis	−0.96	1¼-2½ dis	−0.75
Norway	5.5850-5.6025	5.5680-5.5700	3.65-3.15ore pm	7.33	10.00-9.50 pm	7.00
France	5.3325-5.3860	5.3465-5.3485	2½-2¼c pm	5.34	7-6½ pm	5.08
Sweden	4.8340-4.8645	4.8340-4.8360	1.30-1.10ore pm	2.98	3.65-3.45 pm	2.94
Japan	218.00-217.30	215.80-215.90	2.30-2.10y pm	12.17	6.35-6.15 pm	11.53
Austria	15.89-15.977	15.85-15.95	8.10-6.60gro pm	5.58	24.50-21.00pm	5.70
Switz.	2.0450-2.0630	2.0620-2.0630	1.70-1.60c pm	9.80	4.95-4.85 pm	9.50

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

May 6	Bank of England Index	Morgan Guaranty Changes%
Sterling	98.9	−27.0
U.S. dollar	104.6	−0.7
Canadian dollar	86.5	−17.8
Austrian schilling	113.5	+22.0
Belgian franc	106.9	+9.7
Danish kroner	87.2	−11.5
Deutsche mark	118.5	+38.8
Swiss franc	131.6	+73.5
Guilder	110.1	+14.9
French franc	84.7	−10.6
Lira	58.3	−56.5
Yen	144.5	+39.4

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

May 5	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.561297	0.529656
U.S. $	13	1.18546	1.11971
Canadian $	17.60	1.42563	1.34702
Austria Sch.	6¾	19.0112	17.9490
Belgium F.	14	43.9154	41.4530
Danish K.	11	8.47248	8.00428
D mark	7½	2.69040	2.54063
Guilder	9	2.98975	2.82336
French Fr.	9½	6.40978	6.05877
Lira	19	1338.66	1264.16
Yen	6¼	(U)	244.210
Norwgn. Kr.	9	6.66881	6.29391
Spanish Pta.	8	108.001	102.062
Swedish Kr.	12	5.78504	5.46318
Swiss Fr.	4	2.45632	2.31701
Greek Dr'ch.	20½	—	—

OTHER CURRENCIES

May 6	£	$		£ Note Rates
Argentina Peso	5715-6735	3172-3182	Austria	33.65-34.00
Australia Dollar	1.8520-1.8540	0.8745-0.8750	Belgium	80.00-80.80
Brazil Cruzeiro	174.54-175.54	82.53-82.94	Denmark	14.95-15.10
Finland Markka	9.03-9.05	4.2500-4.2550	France	11.26-11.36
Greek Drachma	115.008-118.008	54.70-54.90	Germany	4.66-4.70
Hong Kong Dollar	11.46-11.48	5.4220-5.4250	Italy	2330-2385
Iran Rial	164.00*	77.70*	Japan	458-464
Kuwait Dinar(KD)	0.581-0.587	0.2755-0.2769	Netherlands	5.28-5.32
Luxembourg Frc.	77.85-77.95	36.79-36.81	Norway	11.80-11.90
Malaysia Dollar	4.91-4.92	2.3240-2.3260	Portugal	125-132
New Zealand Dlr	2.3800-2.3820	1.1240-1.1250	Spain	186½-197
Saudi Arab. Riyal	7.07-7.13	3.3600-3.3625	Sweden	10.26-10.36
Singapore Dollar	4.51-4.52	2.1350-2.1370	Switzerland	4.33½-4.37½
Sth African Rand	1.7495-1.7505	0.8265-0.8270	United States	2.11¼-2.13¼
U.A.E. Dirham	7.75-7.79	3.6710-3.6730	Yugoslavia	79-82

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 6	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.4695	+1.64	+1.43	±1.5361
Danish Krone	7.91917	8.01002	+1.15	+0.94	±1.6413
German D-Mark	2.54502	2.54201	−0.12	−0.33	±1.1386
French Franc	5.99526	6.01713	+0.36	+0.15	±1.3636
Dutch Guilder	2.81318	2.82364	+0.37	+0.16	±1.5159
Irish Punt	0.685145	0.694102	+1.31	+1.10	±1.6698
Italian Lira	1262.92	1268.48	+0.44	+0.44	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

May 6	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.117	4.783	459.5	11.325	4.368	5.308	2381.	2.536	77.90
U.S. Dollar	0.472	1.	2.259	216.9	5.350	2.063	2.507	1125.	1.198	36.80
Deutschemark	0.209	0.443	1.	96.05	2.368	0.913	1.110	497.9	0.530	16.29
Japanese Yen 1,000	2.177	4.610	10.41	1000.	24.65	9.510	11.56	5185.	5.522	169.6
French Franc 10	0.883	1.869	4.223	405.5	10.	3.857	4.687	2102.	2.239	68.79
Swiss Franc	0.229	0.485	1.095	105.2	2.593	1.	1.215	545.2	0.581	17.84
Dutch Guilder	0.188	0.399	0.901	86.55	2.134	0.823	1.	448.6	0.478	14.68
Italian Lira 1,000	0.420	0.889	2.009	192.9	4.756	1.834	2.229	1000.	1.065	32.72
Canadian Dollar	0.394	0.835	1.886	181.1	4.466	1.722	2.093	938.9	1.	30.72
Belgian Franc 100	1.284	2.718	6.139	589.5	14.54	5.607	6.813	3056.	3.255	100.

FT LONDON INTERBANK FIXING (11.00 a.m. MAY 6)

3 months U.S. dollars		6 months U.S. dollars	
bid 18 15/16	offer 19 1/16	bid 18 15/16	offer 18 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

May 6	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	10¼-11	18½-18¾	17-18	10½-10¾	7¾-8	10⅜-10⅝	12¼-12½	17½-19	16-18	6-6½
7 days' notice	11¼-11½	19-19¼	17-18	10½-10¾	7½-7¾	11⅛-11⅜	12⅞-13⅜	19¼-20¾	16-18	6⅛-6⅜
Month	12⅛-12¼	18⅜-18⅝	18⅛-18⅜	11⅛-11⅜	9 1/16-9 3/16	12⅝-12¾	13⅝-14	19½-20⅛	17½-18⅛	6⅝-6⅞
Three months	12⅜-12½	18⅞-19⅛	18⅛-18⅜	11⅝-11⅞	9⅜-9½	13-13⅛	13⅞-14¼	19½-20¼	17½-18⅛	7⅜-7⅝
Six months	12 7/16-12 9/16	18⅞-19⅛	18⅛-18⅜	11⅝-11⅞	9⅜-9½	12⅞-13	14-14⅜	19¾-20⅛	17½-18⅛	8⅛-8⅜
One Year	12⅝-12 11/16	17½-18⅛	17⅝-18	11¾-12	9 5/16-9 7/16	12 11/16-12 13/16	14-14½	19¼-20	17-18	8⅜-8⅝

SDR linked deposits: one-month 14½-14⅞ per cent; three-months 14⅞-15¼ per cent; six-months 14 13/16-15 3/16 per cent; one-year 14 9/16-14 15/16 per cent.

ECU linked deposits: one-month 13¾-14 per cent; three-months 13⅞-14⅛ per cent; six-months 13⅞-14⅛ per cent; one-year 13 11/16-13 15/16 per cent.

Asian $ (closing rates in Singapore): one-month 18⅜-18⅝ per cent; three-months 19⅛-19⅜ per cent; six-months 18⅞-19 per cent; one-year 18⅜-18⅝ per cent. Long-term Eurodollar two-years 17½-17¾ per cent; three-years 17-17¼ per cent; four-years 16⅞-17⅛ per cent; five-years 16¾-17 per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 19.10-19.20 per cent; three-months 19.10-19.20 per cent; six-months 18.75-18.85 per cent; one-year 17.70-17.80 per cent.

INTERNATIONAL MONEY MARKET

Europe nervous

German short term interest rates were generally easier yesterday, while call money remained at 12.00-12.10 per cent. There was some nervousness in Europe ahead of today's Bundesbank central council meeting, on fears of a possible rise in the special Lombard rate, following the recent sharp increase in U.S. interest rates. Speculation centred around a rise to 13 per cent from 12 per cent in the special Lombard rate, where it has been for the last two months.

In Amsterdam interest rates tended to stabilise on hopes that the Bundesbank would not increase the special Lombard rae. A move towards higher rates by the German central bank is likely to trigger an increase in the Dutch discount rate, but it was pointed out that the German and Dutch authorities may be reluctant to push up rates shortly before the French Presidential election on Sunday.

On the other hand an increase in the surcharge by commercial banks on lending rates was not excluded. Dutch banks imposed a half point surcharge on Tuesday, and may raise it to one point by Friday if interest rates continue an upward course.

The call rate for the rest of the present quota period for Dutch banks, which ends on May 20, is not expected to show any major change. The daily market deficit of over Fl 4½bn in the next two weeks should be easily absorbed.

In Zurich major Swiss banks raised fixed deposit rates by ½ per cent for periods between three and 12 months.

GOLD

Slight rise

Gold rose $4 an ounce in the London bullion market yesterday to close at $479-482. The metal opened at $481-484 and trading was confined to a fairly narrow range as attention focused on the strength of the dollar and high Eurodollar interest rates.

In Paris the 12½ kilo bar was fixed at FFr 85,000 per kilo ($495-55 per ounce) in the afternoon, compared with FFr 85,000 ($491.86) in the morning and FFr 87,000 ($500.46) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,080 per kilo ($482.85 per ounce) against DM 34,835 ($477.53) previously and closed at $481-484 compared with $475-478 per ounce on Tuesday.

In Zurich gold finished at $481-$484 against $475½-477.

	May 6		May 5	
Gold Bullion (fine ounce)				
Close	$479-482	(£225¼-228¾)	$475-478	(£225¼-226¾)
Opening	$481-484	(£227½-228¾)	$476-479	(£226¼-227¾)
Morning fixing	$482.75	(£227.852)	$475.75	(£225.627)
Afternoon fixing	$482	(£227.412)	$476.25	(£225.390)
Gold Coins				
Krugerrand	$495-496	(£234-234½)	$485½-490½	(£232½-233)
1/2 Krugerrand	$254¾-255¾	(£120¼-120¾)	$253-254	(£120-120½)
1/4 Krugerrand	$129¾-130¾	(£61¼-61¾)	$129-130	(£61-61½)
1/10 Krugerrand	$53-54	(£25-25½)	$52¾-53¾	(£25-25½)
Mapleleaf	$491-492	(£232-232½)	$486-487	(£230½-231)
New Sovereigns	$120-121	(£56¾-57¼)	$119-120	(£56½-57)
King Sovereigns	$133-135	(£62¾-63¾)	$132-134	(£62½-63½)
Victoria Sovs.	$133-135	(£62¾-63¾)	$132-134	(£62½-63½)
French 20s	$189-192	(£89¼-90¾)	$191-194	(£90½-92)
50 pesos Mexico	$599-604	(£283-285½)	$590-595	(£279¾-282)
100 Cor. Austria	$465-470	(£219¾-222)	$460-454	(£216-220)
$20 Eagles	$578-582	(£273-275)	$573-578	(£271¾-274)

UK MONEY MARKET

Full supply

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

Day-to-day credit was in surplus in the London money market yesterday, and the authorities absorbed surplus funds by selling a moderate amount of Treasury bills to the discount houses and banks.

Banks brought forward very large surplus balances, while moderate Government disbursements outweighed revenue payments to the Exchequer. These of maturing bills in official hands.

Discount houses paid around 10 per cent for secured call loans at the start, but closing balances were taken at 5-6 per cent.

LONDON MONEY RATES

May 6 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	2-11¼	10½-11	—	—	10-11	5-10½	—	—	—
2 days notice	—	—	12⅛-12⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11¾-12¼	12⅛-12⅜	—	12	12-12⅛	11⅛-11⅜	—	—	—
One month	12⅛-12	12⅛-12¼	12⅛-12⅜	13¼-13	12½	12½	11⅛-11⅜	11 13/32-11⅜	11⅜-11⅝	12⅝
Two months	12¼-12⅛	12 9/16-12⅜	—	13⅛-12¾	12⅝	12⅝	11⅝	11 7/16-11 5/16	11 15/32-11 11/32	12⅝
Three months	12 5/16-12 3/16	12 5/16-12⅛	12⅜-12½	13-12⅝	12⅝	12⅝-12¾	11⅝	11 5/16	11⅜-11⅜	12⅝
Six months	12⅝-12 7/16	12⅜-12⅝	12¼-12⅝	12⅞-12½	12¾	12⅞	—	—	11⅛-11 5/16	12⅛
Nine months	12½-12⅜	12 7/16-12⅝	—	13-12⅝	12¾	12⅞	—	—	—	—
One year	12½-12⅜	12 9/16-12 7/16	12 9/16-12½	12¾-12½	12¾	12⅞	—	—	—	—
Two years	—	—	12⅞-13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13-13⅛ per cent; four years 13 per cent; five years 13⅛ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11½-11⅝ per cent; four-months trade bills 12⅛ per cent.

Approximate selling rate for one-month Treasury bills 11 13/32-11⅜ per cent; two months 11 5/16-11 3/16 per cent; three months 11¼ per cent. Approximate selling rate for one-month bank bills 11 13/32-11 11/32 per cent; two-months 11 11/32 per cent; three-months 11 11/32-11 5/16 per cent; one-month trade bills 12 5/16 per cent; two-months 12 5/16 per cent and three-months 12 5/16 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from May 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.2351 per cent.

MONEY RATES

NEW YORK

Prime Rate	19
Fed. Fund	17-17½
Treasury Bills (13-week)	15.45
Treasury Bills (26-week)	15.48

GERMANY

Special Lombard	12.0
Overnight Rate	12.05
One month	13.225
Three months	13.425
Six months	13.225

FRANCE

Intervention Rate	13.5
Overnight Rate	12.25
One month	13.4375
Three months	13.6875
Six months	13.6875

JAPAN

Discount Rate	6.25
Call (Unconditional)	7.25
Bill Discount (three-month)	7.28125

London Clearing Banks' balances

as at April 15, 1981

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks: Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

LIABILITIES	Total outstanding £m	£m	Change on month £m	£m
Sterling deposits:				
UK banking sector	6,592		+ 711	
UK private sector	41,660		+1,363	
UK public sector	561		− 40	
Overseas residents	4,689		+ 88	
Certificates of deposit	2,089		− 21	
		55,591		+2,100
of which: Sight		19,484		+1,084
Time (inc. CD's)		36,107		+1,016
Foreign currency deposits:				
UK banking sector	9,132		+ 565	
Other UK residents	2,286		+ 167	
Overseas residents	21,099		+1,099	
Certificates of deposit	2,077		+ 165	
		34,594		+1,997
Total deposits		90,186		+4,097
Other liabilities*		13,525		+ 793
TOTAL LIABILITIES		103,710		+4,890

ASSETS	Total outstanding £m	£m	Change on month £m	£m
Sterling				
Cash and balances with Bank of England		1,383		− 26
Market loans:				
Discount market	2,133		+ 36	
UK banks	9,974		+ 976	
Certificates of deposit	1,841		+ 256	
Local authorities	1,177		− 33	
Other	1,348		+ 146	
		16,473		+1,381
Bills:				
Treasury bills	201		− 42	
Other bills	1,289		+ 349	
		1,491		+ 308
Special deposits with Bank of England		—		—
Investments:				
British Government stocks	2,730		+ 90	
Other	2,107		+ 40	
		4,837		+ 130
Advances:				
UK private sector	32,120		+ 419	
UK public sector	284		− 58	
Overseas residents	3,099		+ 14	
		35,503		+ 376
Other sterling assets*		7,809		+ 687
Foreign currencies				
Market loans:				
UK banks and discount market	7,977		− 18	
Certificates of deposit	246		+ 43	
Other	15,384		+1,294	
		23,607		+1,319
Bills		41		+ 1
Advances:				
UK private sector	2,409		+ 200	
UK public sector	895		+ 37	
Overseas residents	7,404		+ 499	
		10,708		+ 735
Other foreign currency assets*		1,859		− 20
TOTAL ASSETS		103,710		+4,890
Acceptances		1,090		+ 30

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Out-standing £m	Change on month £m	BARCLAYS Out-standing £m	Change on month £m	LLOYDS Out-standing £m	Change on month £m	MIDLAND Out-standing £m	Change on month £m	NATIONAL WESTMINSTER Out-standing £m	Change on month £m	WILLIAMS & GLYN'S Out-standing £m	Change on month £m
LIABILITIES												
Total deposits	90,186	+4,097	26,237	+1,270	15,723	+836	18,880	+982	26,608	+802	2,738	+208
ASSETS												
Cash and balances with Bank of England	1,383	− 26	483	+ 63	226	− 62	227	− 49	399	+ 7	48	+ 15
Market loans:												
UK banks and discount market	20,084	+ 993	5,992	+630	2,954	+199	3,171	+259	7,322	−137	645	+ 42
Other	19,996	+1,707	5,971	+525	4,296	+154	3,507	+387	5,545	+525	676	+115
Bills	1,531	+ 308	225	− 9	459	+309	395	+ 61	427	− 59	26	+ 5
British Government stocks	2,730	+ 90	874	+ 7	458	+ 87	769	− 11	555	+ 7	74	—
Advances	46,211	+1,111	13,429	+179	8,000	+187	10,473	+172	12,961	+545	1,349	+ 28

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)

	TOTAL		BARCLAYS		LLOYDS		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GLYN'S	
Eligible liabilities	34,626	+ 92	10,701	− 3	5,549	− 73	8,300	+ 55	8,934	+122	1,142	− 8
Reserve assets	3,267	− 42	912	− 6	533	−126	760	− 6	962	+ 96	99	—
Reserve ratio (%)	9.4	− 0.2	8.5	− 0.1	9.6	− 2.1	9.2	− 0.1	10.8	+ 1.0	8.7	—

Banking figures

(as table 4 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks

	April 15, 1981 £m	Change on month £m
Eligible liabilities		
UK banks		
London clearing banks	34,810	+ 94
Scottish clearing banks	4,083	− 44
Northern Ireland banks	1,078	− 24
Accepting houses	3,513	+ 156
Other	11,355	+1,004
Overseas banks		
American banks	7,459	+ 426
Japanese banks	934	+ 104
Other overseas banks	6,019	+ 338
Consortium banks	757	+ 46
Total eligible liabilities*	70,008	+2,100
Reserve assets		
UK banks		
London clearing banks	3,285	− 42
Scottish clearing banks	365	− 6
Northern Ireland banks	122	− 5
Accepting houses	340	+ 14
Other	1,194	+100
Overseas banks		
American banks	681	+ 40
Japanese banks	86	+ 8
Other overseas banks	626	+ 29
Consortium banks	108	+ 2
Total reserve assets	6,807	+140
Constitution of total reserve assets		
Balances with Bank of England	452	−111
Money at call:		
Discount market	3,690	+345
Other	256	+ 7
UK, Northern Ireland Treasury Bills	305	−149
Other bills:		
Local authority	244	+ 33
Commercial	1,002	+102
British Government stocks with one year or less to final maturity	858	− 87
Other	—	—
Total reserve assets	6,807	+140
Ratios %		
UK banks		
London clearing banks	9.4	− 0.2
Scottish clearing banks	8.9	− 0.1
Northern Ireland banks	11.3	− 0.2
Accepting houses	9.7	—
Other	10.5	− 0.1
Overseas banks		
American banks	9.1	—
Japanese banks	9.2	− 0.2
Other overseas banks	10.4	− 0.1
Consortium banks	14.3	− 0.6
Combined ratio	9.7	− 0.1
	£m	£m
n.b.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to	182	+100
2—Finance houses		
Eligible liabilities	422	+ 16
Reserve assets	35.4	− 1.5
Ratio (%)	8.4	− 0.7

Special deposits at April 15 were nil (unchanged) for banks and nil (unchanged) for finance houses. * Interest-bearing eligible liabilities were £51,195m (up £763m).

RECORD ACQUISITION BEGINS TO PAY OFF

Shell harvests the Belridge farm

BY PAUL BETTS, RECENTLY IN THE SAN JOAQUIN VALLEY, CALIFORNIA

ABOUT 100 miles north-west of Los Angeles, there is a vast hot and steamy valley which thanks to the impressive California aqueduct system is one of the most fertile plains in the U.S., producing a variety of high income crops from cotton and wheat to carrots and citrus fruits. But before the waters came to the San Joaquin valley in the late 1960s, the area had been established as one of the country's biggest crude oil plays.

It was here that Shell Oil, the eighth largest U.S. oil company and 69 per cent owned by the Royal Dutch/Shell Group, spent $3.65bn 14 months ago in the biggest corporate acquisition to buy Belridge Oil Company, thus securing 35,000 acres of this monotonously flat and sandy valley, at the time many in the oil industry and on Wall Street thought Shell had paid too much. There were no doubts about the presence of large quantities of oil, but the oil in the Belridge Oil properties, renamed by Shell as Kernridge Oil Company, is largely heavy 13 degree API crude which is difficult to extract. As for the "Sweeter" 28 degree API crude contained in the field, it is even more difficult to extract.

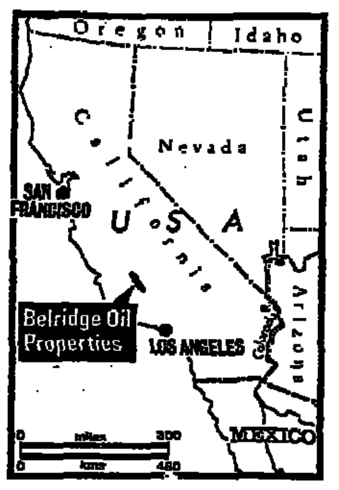
However, Shell's apparent gamble now seems to be paying off. "We never had any doubt that we were paying a good price for the Belridge Oil Properties." Mr. Jim Current, president of Shell's Kernridge Oil Company, remarked during a visit of the oil field. When we made the bid, we felt we had the necessary technology and a higher degree of confidence than other oil companies with similar technology, like Standard Oil of California and Getty Oil, that would enable us to get about 60 per cent of the heavy crude out of the ground.

Since taking over the property, Shell has increased production from 42,000 barrels a day to 60,000 barrels a day and expects to reach a peak of 100,000 barrels a day by the mid-1980s. It plans to invest a total of $1bn over the next 10 years to develop the field, where production is currently concentrated on about 5,500 acres with much of the rest of the property forming the 17th largest farm in California which packs, among other things, about 4 per cent of all carrots in the U.S.

But if carrots are easy to grow in the valley, oil is difficult to extract. Indeed, the Kernridge field is an unusual geological formation. To a large extent, this is what induced other major U.S. oil companies to regard Shell's bid as extravagant.

The peculiarity of the field is that the heavy, lower grade crude sits in sandy beach soil on top of the sweeter, higher grade crude contained in hard diatomite rock. "What this means is that we've got the bad oil in the good soil and the good oil in the bad soil," Mr. Current explained.

The heavy crude is contained at depths of between 400 to 1,300 feet. Shell estimates there are about 1bn barrels of this oil, of which 125m barrels have been extracted. According to Mr. Current, about 60 per cent, or an additional 476m barrels, can be recovered by existing Shell technology. To extract this heavy oil, steam is being injected into the field to heat



the oil, enabling it to flow to the wellbore. This technology is not particularly new and Belridge Oil was using steam well before the Shell acquisition.

What is new is Shell's technique in injecting the steam. The Shell technology can control the injection of steam in specific zones in a well. "The trick is where to create a steam zone. This costs a lot more because of the need to drill more wells. But the results are spectacular," claimed Mr. Bob Sprague, vice president for engineering at Kernridge. Since Shell took over the properties, it has been converting 182,000 barrels of water a day into steam, making the Kernridge steam recovery project one of the largest in the U.S.

As for the sweeter, lighter crude, Shell estimates there are about 2bn barrels, of which only 38m barrels have been extracted since the first discovery well was drilled in 1911. According to Mr. Current, the problem is the unique rock formation. "I don't believe there is anywhere else in the world where oil is contained in diatomite rock." He believes Shell can produce an extra 145m barrels of this crude from depths of between 700 and 3,000 feet. This is only about 9 per cent of the estimated reserves.

Diatomite is rather similar to chalk. Under a microscope a particle looke a bit like a tiny sponge, with many holes containing oil. It is extremely hard and extremely porous. To extract the oil Shell is using a hydraulic fracturing process which involves pumping water into the rock under very high pressure. The water acts like a jack and splits the rock. Sand is subsequently pumped down with the water to prop up the fracture to enable the oil to be extracted.

So far, oil companies have little experience in this type of formation. About 12 miles from the Kernridge field, Getty Oil is also planning to extract oil from diatomite. But in Getty's property the rock is on the surface and the oil company proposes to strip mine it and crush it to extract the crude.

In the longer term, Mr. Current said Shell was considering a supplementary recovery programme for the Kernridge diatomite crude using water flooding, a process currently being tested. This involves flooding a field with water at low pressure which eventually pushes the oil up a well. The company also plans to explore the rest of the Belridge acreage. "We are estimating about 1bn barrels of oil in the unexplored parts of the farm and from deeper zones. We think there is another 42m barrels to be lifted from these areas by conventional methods," he said.

With this combination of improved enhanced recovery techniques and new discoveries, Shell could ultimately extract more than 1bn barrels of crude from Kernridge, instead of the 660m the company anticipated when it made the acquisition. Moreover, despite the high concentration of lower grade heavy, and hence lower priced crude in the field, the economics of Californian oil production are such that by the mid 1980s, Kernridge's will be a cash contributor—including debt repayment. Mr. Current also believes that by the end of the decade, Kernridge will have more than paid for itself, including acquisition costs, interest on funds borrowed, and subsequent development costs, and that the operation will be profitable well into the next century.

This is despite the disappearance this year of the pricing advantage and subsidies for heavy oil as a result of the deregulation of U.S. oil prices. However, Kernridge is selling all of its oil — largely to Standard Oil of California — albeit at $25.50 a barrel, a price Mr. Current believes is the lowest in the U.S.

The low price is designed as an incentive to oil refiners to upgrade facilities so that they can economically process the heavier oil. "In the short term this means we have no problem about demand for our crude in the current sluggish market. In the longer term, we have an assured market."

Steep fall in profit for French oil group

By David White in Paris

COMPAGNIE Française des Pétroles, the leading French oil group, has reported a sharp setback in 1980 profit despite price increases which led to a 37 per cent growth in turnover.

Net earnings for the group, which trades under the name Total dropped to FFr 5.09bn ($960m) from FFr 6.25bn the previous year, a fall of 18.5 per cent.

After deduction of FFr 4.4bn of profits resulting from revaluation of stocks, the earnings figure shrank to FFr 693m, less than a third of the equivalent 1979 total of FFr 2.45bn.

The lower result came after the announcement of a relatively meagre increase of less than 7 per cent in the 1980 profits of the second largest French oil group, the majority state-owned Elf-Aquitaine.

Total, which is 40 per cent Government-owned, said that as with Elf it suffered from very poor results from its refining and distribution operations in the second half of the year.

The company said it also incurred foreign exchange losses, resulting in particular from its debts in U.S. dollars and sterling.

Sales last year climbed to FFr 101bn from FFr 74bn. This was despite a drop in the volume of crude oil and refined products sold by the group, which reached 69m tonnes compared with 75m in 1979.

Cash flow was down to FFr 9.54bn from FFr 10.38bn. But the company said the high 1979 level had enabled it to step up investment in oil exploration and development last year. Exploration and production took up half of total spending, which more than doubled to FFr 9.3bn from FFr 3.9bn.

Continental Air Lines first quarter loss soars to $25.8m

BY IAN HARGREAVES IN NEW YORK

CONTINENTAL AIR LINES suffered a $25.8m loss in the first quarter of this year, it reported a couple of hours before its annual meeting which will determine the next stage in the attempt by Texas Air to take over Continental.

The size of the deficit, five times greater than last year's first quarter loss of $5.1m, provided further ammunition for Texas, which is trying to persuade Continental shareholders that their best interests lie in allowing it to take control.

Mr. Alvin Feldman, President of Continental, said that the first quarter loss had been increased considerably by the costs of restoring operations after a flight attendants strike at the end of last year.

He also pointed out that Continental has made progress in dropping unprofitable routes and developing a hub-and-spoke route system based on Denver, Houston and El Paso, Texas. It's profits had also suffered, he said, because of 34 per cent increase in interest expense.

The main issue at the annual meeting is whether Texas which owns 48.5 per cent of Continental's share, can force a vote on a plan by Continental to issue new stock to its employees who would then in effect become owners of the airline.

Mr. Feldman told the annual meeting that Continental plans to set up a panel of outside directors to evaluate the employee stock ownership plan. The committee will be headed by a former congressman, Mr. Joe Kilgore.

Texas has received permission from the Civil Aeronautics Board to issue resolutions for debate at the meeting. Continental's board was expected to rule the propositions out of order, leading to a further protracted fight over the issue in the courts.

Texas's longer term objective is to pull off a merger with Continental, but it cannot achieve this goal until the CAB votes, probably in August, on the merger proposal. That gives Continental three months to come up with a successful alternative plan.

Legal costs hit Columbia

BY OUR FINANCIAL STAFF

COLUMBIA PICTURES Industries has reported a drop in net profits for its third quarter, mainly as a result of legal expenses incurred in its battles with Mr. Kirk Kerkorian over his attempts to increase his holding in the motion picture and television programme group.

Profits for the quarter to March 31 totalled $7.81m compared with the $13.57m of the corresponding period of 1980.

The litigation was settled in February with Columbia buying the 2.44m shares held by Mr. Kerkorian and his Tracinda Corporation for $91.45m.

Revenues for the period were $168.3m against $188 and earnings per share came out at 82 cents compared with $1.35.

After nine months, net profits were ahead at $34.18m or $3.42 a share, from $29.25m, or $2.94. Last year's figure excludes a $4.02m gain from the sale of its Arista record division. Revenues were also ahead from $485m to $497.7m.

Dome's key role in Canadian energy plans

BY ROBERT GIBBENS IN MONTREAL

DOME PETROLEUM is a key factor in the Canadian Government's National Energy Programme (NEP) because it is the largest single explorer on Federal frontier lands.

Early this year, Dome set up a majority Canadian-owned subsidiary to take over its Beaufort Sea oil and gas exploration programmes in the North-West Territories and agreed that it would itself become 60 per cent Canadian-owned within the next few years. Although founded and based in Canada, domestic ownership has fallen to 35 per cent because of the popularity of its shares among foreign investors.

The National Energy Programme allows Federal grants of up to 80 per cent of explorations costs on Frontier oil and gas lands, which are all Federal controlled and free of tax and juridictional disputes between Federal and provincial authorities. The Federal Government is aiming also for majority Canadian control of the oil and gas industry by 1990.

Foreign-controlled oil companies operating in Canada, such as Hudson's Bay Oil and Gas (HBOG) cannot gain full exploration grants for frontier lands under the NEP and have been looking for expansion in the U.S. and elsewhere. Conoco has held control of HBOG for many years, with a minority holding by the Hudson's Bay Company, which is Canada's largest department store group and owned by the Thomson family.

Because of the penalty implied by NEP policies, there have been speculations for several months that Conoco's 53 per cent holding might be up for sale.

Dome Petroleum earned C$266m (U.S.$225m) or C$6.01 per share in 1980 against C$173.8m or C$3.90 per share in 1979. It controls TransCanada PipeLines operator of the cross-country gas pipeline system which is moving strongly into exploration and development in Canada and the U.S.

HBOG earned C$145m or C$1.92 a share in 1980 on revenues of C$578m and expects a decline this year because of the impact of the pricing and tax quarrel between Ottawa and Alberta.

Earnings dip at Canadian Pacific

By Our Financial Staff

CANADIAN PACIFIC, the Canadian transport and telecommunications company, is "cautiously optimistic" about the remainder of this year depite a minor fall in earnings in the first quarter from C$135.9m to C$133.4m (US$114m), or C$1.86 a share. Revenue figures were not given.

Mr. F. S. Burbidge, president, commented that CP Trucks had turned a C$1.6m loss into a C$118,000 profit in the quarter, but that CP Air had recorded a "sizeable loss," despite higher revenues, because of higher costs. It had also incurred higher interest charges in financing the purchase of new aircraft.

Mr. Burbidge told the annual meeting that the optimism for the second half was based in part on recent forecasts which show signs of improvement in the rate of growth of the U.S. and Canadian economies.

$30m FRN for Industrial Bank of Japan

By Francis Ghilès

SOME ORDER was restored to the Eurobond market yesterday, especially in the fixed-interest dollar sector, after the heavy price falls on Tuesday which followed the surge in U.S. interest rates.

Straight dollar bonds advanced by about ½ of a point as the the U.S. dollar weakened a little against major currencies and Eurodollar interest rates dropped sharply. The three-month rate lost 1½ per cent to 18¼ per cent. Dealers reported some good two-way business and, in particular, some buying from Switzerland.

A $30m floating rate note has been launched in the Asian dollar market for Industrial Bank of Japan with no minimum coupon and an interest rate set at ¼ per cent over the mean of the bid and offered rates for six-month Eurodollars. Lead managers are IBJ International and Kuwait Investment Company.

D-Mark foreign bond prices were unchanged, but this overall lack of movement hid the fact that the more recent issues, which were oversold on Monday and Tuesday, regained some ground.

The DM 100m 10½-year issue to 1989 for Belgelectric, announced on Tuesday, stands at about 1-1½ points discount from its price of 99. German bankers say that the other issues slotted into this month's new issue foreign bond calendar could be successfully brought to the market if they offer a "generous" coupon, that is 10½ per cent for a prime rate.

Swiss franc foreign bonds shed about ½ of a point yesterday. A SwFr 25m five-year convertible is being arranged for Showa Musen Koggo, the Japanese electrical company, with a coupon of 4½ per cent. Lead manager is Union Bank of Switzerland.

A Fl 100m five-year issue has been launched for the World Bank by Algemene Bank Nederland. It carries a coupon of 12 per cent and has been priced at 99.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday, May 14. Closing prices on May 6

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Am. Air. 15¾ 86 (WW)	55	97⅞	98⅛	+0½	−2¼	15.88
Amoco 13¼ 88	75	90½	91	+0½	−2½	15.52
CIBC 14½ 84	185	96¾	96⅞	+0⅛	−2	16.00
CNE 12¾ 91	100	85⅞	86⅜	+0⅛	−2¼	15.57
Citicorp O/S Fin. 10 86	300	80½	81	+0⅛	−2	15.69
Citicorp O/S Fin. 12 87	200	84½	85	+0⅛	−2½	15.90
Con. Illinois O/S 9¾ 86	150	78¾	79¼	+0½	−2¼	16.01
Dupont Canada 13½ 91	65	89	89½	−0⅛	−3⅛	15.69
EEC 11 95 (August)	70	74½	75¼	+1⅛	−1⅞	15.43
EIB 12¾ 89	75	85¾	86¼	+0½	−3¼	15.97
Eldorado 13¾ 88	50	91⅝	92⅛	+0⅛	−2	15.73
Elec. de France 10 88	125	75½	76	+0⅛	−3⅛	15.89
Elec. de France 13 88	125	89¼	89¾	+0⅛	−3	15.59
Export Dv. Cpn. 9½ 86	150	79⅝	80⅛	+0½	−1⅞	15.85
Fed. Bs. D. 12¾ 85 (N)	50	89	89½	+0½	−2⅛	15.67
Fin. Exp. Credit 10½ 85	50	83	83½	+0⅞	−1⅜	16.33
Finland, Rep. of 9½ 86	100	78¾	79¼	+0⅛	−1⅜	16.02
Ford Credit O/S 14⅝ 83	150	95¼	95¾	+0½	−1	16.78
Ford Cr. O/S Fin. 16 84	150	97⅞	98⅜	+0⅛	−1	16.80
Gaz de France 13½ 86	80	93	93½	0	−2½	15.57
GMAC O/S Fin. 12 87	100	84	84½	+0⅛	−2⅜	16.06
GMAC O/S Fin. 12⅞ 88	100	86¼	86¾	+0⅛	−3⅛	16.27
Gen. Mtrs. O/S 11⅜ 87	100	83¼	83⅞	−0⅛	−2⅝	15.94
Genstar 14¾ 91	50	96	96½	+0⅛	−1½	15.50
GTE Fin. 13¾ 86 (WW)	50	93½	94	+0⅛	−2⅝	15.66
Hudson's Bay 11½ 90	75	77⅞	78⅜	+0⅛	−4	16.24
IBM Wld. Trade 12½ 88	200	90⅜	90⅞	+0⅛	−2¼	14.75
Newfoundland 13½ 90	60	88⅞	89⅜	+0⅛	−2⅛	15.84
Nova Scotia 10¾ 90	50	76⅜	76⅞	+0⅛	−3⅛	15.69
OKB 10 85	50	82⅝	83⅛	+0½	−2¼	15.86
Ontario Hydro 13½ 91	100	89	89½	−0⅛	−3⅛	15.69
Quebec Hydro 11½ 92	100	76⅝	77⅛	−1¼	−3⅛	16.08
Queb. Hy. 13 91 (WW)	100	85¾	86¼	+0½	−3¼	15.88
Royal Bk. Canada 14 86	100	95¼	95¾	+2⅞	+2⅞	15.39
SNCF 12¾ 85	50	90½	91	−0⅛	−2½	15.63
SNCF 13 91	75	89¼	89¾	−1¼	−2	15.09
Sth. California Ed. 14 87	50	94½	95	+0½	−2	15.39
Sven Handelsbk. 13¾ 88	45	91⅛	91⅝	+0⅛	−2¼	15.87
Sweden 12⅞ 85	150	88¼	88¾	+0½	−2¼	16.18
Swed. Ex. Credit 12 83	50	91½	92	+0⅛	−1⅞	16.30
Swed. Ex. Credit 13 86	75	89⅜	89⅞	+0⅛	−2	16.26
Toronto-Dom. Bk. 14 84	50	85⅛	85⅝	+0⅛	+0⅛	16.07
Tribune O/S Fin. 14 86	50	93⅞	94⅜	+0½	−1⅞	15.78
World Bank 9¾ 85	200	82¼	82¾	0	−2¼	15.84
World Bank 10⅛ 87	300	79⅝	80⅛	−2½	−2¼	15.57

Average price changes... On day +0⅛ on week −2¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	96⅜	96⅞	+0⅛	+0⅛	10.58
Austria, Rep. of 8¾ 92	150	87⅝	88⅛	+0⅛	−1½	10.05
CECA 7⅞ 92	150	86⅝	87⅛	−0⅛	−1	9.82
CECA 10 91	120	99⅞	100⅜	−0⅛	−1⅞	9.95
CII-Honeywell 8⅛ 90	125	89½	90¼	0	−1	10.10
Council of Europe 10 91	100	98	98¾	+0½	+0½	10.26
EIB 8½ 90	200	89½	90¼	+0⅛	−1⅛	10.20
EIB 10½ 91	200	100	100¾	+0⅛	−2⅛	10.43
ESCOM 9¾ 87	100	91¾	92½	−0⅛	−2⅛	10.98
Finland, Rep. of 10 88	100	96⅝	97⅛	+0½	+0½	10.82
Iberduero SA 9 90	100	93⅝	94⅛	0	−1⅞	10.01
Ind. Bk. Finland 8½ 90	50	88¾	89½	0	−0½	10.33
Int.-Am. Dv. Bk. 10 91	100	98	98¾	+0⅛	−1	10.26
Japan Air Lines 8⅛ 87	100	90⅝	91⅛	+0⅛	−1¼	10.05
Japan Dev. Bank 7¾ 87	100	88⅜	88⅞	−0½	−1¼	10.16
Kobe, City of 8 90	100	88⅜	89⅛	0	−1⅛	9.92
Midland Int. Fin. 8½ 90	180	90⅝	91⅛	−1¼	−1⅛	10.04
Nuclebras 9¾ 88	100	91	91⅝	+0⅛	+0½	11.53
OKB 8¾ 92	150	87¼	88	0	−1½	10.15
Oslo City of 8¾ 90	80	94⅝	95⅛	+0⅛	−0¼	9.61
Venezuela, R. of 9¾ 90	150	93⅝	94⅛	−0⅛	−0⅛	10.77
World Bank 8 90	700	86¾	87½	+0⅛	−0⅛	10.21
World Bank 10 86	150	100⅝	101⅛	+0⅛	−0⅛	9.74

Average price changes... On day 0 on week −1

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6½ 91	60	95	95¼	−0¼	−0¼	7.20
BFCE 6½ 91	100	97	97¼	−1½	−2	6.91
Bayer Int. Fin. 5¾ 92	100	90¼	90½	0	−0⅛	6.47
Bergen, City of 6¾ 91	40	†93	93½	−0½	−0½	7.75
Buhrm'Tettecode 7 90	40	99⅛	99⅝	−0⅛	−0⅞	7.08
CECA 6¾ 91	80	95¼	95½	−0¼	−0⅛	7.42
Denmark 5¾ 90	80	85	85¼	+1	−2⅛	8.11
Dome Petroleum 5¾ 91	100	93	93¼	−0⅛	−0⅛	6.73
Elet. de France 5¼ 90	100	89⅝	89⅞	−0⅛	−0⅛	6.75
Eurofima 5¾ 92	80	97½	98	+0⅛	−1⅛	6.02
F. G. H. Hypo. Bk 6 90	50	†91	91½	+0¼	−2¼	7.35
Finland, Rep. of 5½ 90	80	85½	85¾	−1	+1¼	7.86
Franc. Petroles 6½ 91	80	95½	95¾	−0½	−0½	7.13
Genstar 7 91	100	99⅜	99⅝	0	0	7.07
Int.-Amer. Dv. Bk. 7 91	100	97⅞	98⅛	−0⅛	−0⅛	7.29
Japan Dev. Bank 5¾ 90	100	91¼	91½	+0¼	−2½	7.02
Mt. Blanc Tunnel 5½ 90	60	†86	86½	+0⅛	−2¼	7.60
Newag 5¾ 90	80	†90½	91	−0⅛	+0½	7.16
OKB 7 93	100	97¼	97¾	−0⅛	−0⅛	7.32
Oslo, City of 5⅞ 90	80	†92	92½	−0⅛	+1⅛	7.02
Philips Lamps 5¾ 92	100	87⅛	87½	−1¼	+0⅛	6.90
Swed. Ex. Cred. 7¾ 91	75	97	97¼	+0⅛	+0⅛	7.67
Trade Dev. Fin. 6⅛ 90	50	91⅛	91⅝	+1½	+1	7.41
Voest-Alpine 5¾ 90	80	†90	90½	0	−0⅛	7.21
World Bank 6 91	100	91¾	92	+1⅛	−1	7.18
World Bank 7 90	100	99¼	99½	−0¼	−0¼	7.09

Average price changes... On day −0¼ on week −0½

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	92⅞	93⅞	0	−0¼	8.69
Australia 6½ 88	20	86¼	87¼	−0½	−0½	9.04
EIB 7¾ 89	12	93⅜	94⅜	+0¼	+0¼	8.76
Finland 5.6 83	10	92¼	93¼	0	−0¼	8.99
Finland 6.8 88	10	87⅞	88⅞	0	+0¼	9.13
Finland, Rep. of 8⅛ 87	15	98⅜	99⅜	−0¼	−0¼	8.56

Average price changes... On day 0 on week −0¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	89	90	+0⅛	+0½	13.57
CIBC 13½ 85 C$	50	92	93	−1	−2¼	16.17
CIBC 11½ 85 C$	60	87½	88½	0	−0½	15.56
Federal Dev. 11½ 90 C$	80	†80¼	81½	−1	−1¼	15.48
Fst. Can. Inv. 10 84 C$	50	†84½	85½	−0⅛	−1⅛	16.70
R. Bk. Canada 10 86 C$	40	88½	89½	−1½	−2½	13.12
Tordom Cpn. 13½ 85 C$	30	†91½	92½	−1¼	−2⅞	16.36
M. Bk. Dnmk. 9 91 EUA	25	90¼	91¼	0	+0⅛	10.43
SOFTE 8¾ 89 EUA	40	87¼	88¼	−0¼	+0⅛	10.61
U. Bk. Nrwy. 9½ 90 EUA	18	97¼	98¼	−0¼	+0⅛	9.88
Algemene Bk. 10¾ 86 Fl	60	95⅝	96⅛	+0¼	−0⅞	11.39
Bk. Mees & H. 10 85 Fl	75	95⅜	96⅛	−0⅛	−0⅞	11.21
Heineken NV 10 87 Fl	100	94	94½	+0⅛	−0⅛	11.32
Nat. Nedrlndn. 10 88 Fl	60	92⅝	93⅛	−1⅛	−1⅞	11.56
Ned. Midd. Bk. 10 85 Fl	75	96½	97	−0⅛	−0⅛	10.94
Pierson 10¾ 86 Fl	50	95⅝	96⅛	−0⅛	−0⅞	11.39
Air France 14½ 86 FFr	200	97⅞	98⅞	+0⅛	+0⅛	14.97
Bk. America 14½ 86 FFr	250	97¼	98¼	−0⅛	−0⅛	15.13
Charb'nages 13⅞ 85 FFr	400	96¾	97¼	0	−0⅞	14.67
EIB 14¾ 88 FFr	300	97½	98½	+0⅛	−0⅛	14.56
La Redoute 14¾ 85 FFr	125	95⅛	96⅛	0	−0⅛	15.70
OKB 14 86 FFr	400	97⅜	98½	−0¼	−0⅛	14.52
Solv. et Cie 14¾ 86 FFr	200	101⅞	102⅞	−0⅛	−0½	14.01
Swed. E. Cr. 14⅛ 86 FFr	250	97⅛	98⅛	0	0	15.32
U. Max. Sts. 14 85 FFr	150	96⅛	97⅛	+0¼	−0½	15.15
Acona 14 85 £	20	94⅜	95⅛	−0⅛	−1¼	15.57
Beneficial 14¼ 90 £	20	91⅛	92⅛	−0¼	−2½	15.93
BNP 13½ 91 £	15	94	94¾	−0⅛	−1½	14.58
CECA 13½ 88 £	20	94½	95¼	+0⅛	−1⅛	14.62
Citicorp O/S 13½ 90 £	50	94	94¾	−0⅛	−1¼	14.64
Fin. Ex. Cred. 13¾ 86 £	15	96½	97¼	−0⅛	−1	14.66
Gen. Elec. Co. 12½ 89 £	50	92	92¾	−0⅛	−1½	14.15
Hiram Walker 14¼ 86 £	25	96⅛	96⅞	−0¼	−1⅛	15.29
Privatbanken 14½ 88 £	12	94⅞	95⅝	−1⅛	−1⅞	15.66
Rothschild 14¼ 90 £	12	96⅜	97⅛	+1⅛	−1½	14.88
Royal Trustco 14 86 £	12	98½	99¼	−0¼	−0½	14.30
Swed. Ex. Cr. 13¾ 86 £	20	96⅜	97⅛	+0¼	−0⅞	14.62
Banobras 8¼ 90 KD	7	†91½	92	0	0	9.67
CCCE 8⅜ 91 KD	10	†83¾	84¼	0	0	10.84
Sonatrach 8½ 90 KD	12	†94¾	95¼	0	0	9.35
Akzo 9¼ 87 LuxFr	500	85¼	86¼	−0½	−0⅛	12.56
Euratom 9⅜ 88 LuxFr	500	89⅛	90⅛	−0⅛	−0½	12.01
Eurofima 10½ 87 LuxFr	500	93½	94¼	−0⅛	+0½	11.91
EIB 9¾ 88 LuxFr	500	90⅞	91⅞	−0¼	+0⅛	11.65
Volvo 9⅜ 87 LuxFr	500	86⅛	87⅛	+0⅛	+0⅛	12.79

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0¼	†98⅝	99⅛	2/7	16⅝	16.81
Bank of Montreal 5¼ 90	0¼	98⅞	99⅛	18/6	19½	19.67
Bank of Tokyo 5¼ 89	‡0⅛	97⅞	98⅜	25/7	16½	16.82
BBL Int. 5 86	0¼	99	99½	20/5	16½	16.62
BNP 5½ 88	‡0⅛	98⅜	99	29/7	16.44	16.65
CNT 5¼ 86	§0¼	98⅞	99⅛	16/10	16.81	16.98
Christiania Bk. 5½ 91	‡0¼	97¼	97¾	5/8	17.31	17.76
Citicorp O/S F. 84	‡0	98⅞	99⅛	30/5	16⅞	17.02
C. Itoh 5¼ 87	0¼	98¼	98⅝	18/9	15.44	15.68
Co-operative Bk. 6 86	0¼	98¼	98¾	15/5	15¼	15.48
Den Norske Credit 6 90	‡0¼	†97⅜	98¼	5/8	17.31	17.67
Genfinance 5⅝ 87	0¼	98⅜	98⅞	30/10	16.94	17.22
Giro und Bank 5¼ 91	‡0¼	97¼	97¾	23/6	14.06	14.42
GZB 5½ 89	‡0⅛	98	98½	1/8	17.31	17.62
Ind. Bank Japan 5¼ 87	0¼	98¾	99¼	15/10	17.06	17.32
Ind. Bank Japan 5¼ 88	0¼	97⅞	98⅜	9/10	16.44	16.75
Lloyds Eurofin 8 90 £	0¼	96⅝	97⅛	3/7	14½	14.97
Lloyds Eurofin 5¼ 92	0¼	98	98½	4/6	17¼	17.56
LTCB Japan 5¼ 86	0¼	99½	100	13/6	20.19	20.24
Man. Hanov. O/S 5¼ 94	‡0⅛	98⅜	98⅞	30/5	17	17.24
Midland Int. Fin. 5¼ 92	0¼	98	98½	5/6	17.19	17.49
Midland Int. Fin. 9 91	0¼	97⅜	97⅞	30/10	16.81	17.22
Nacional Fin. 6¼ 86	0¼	98½	99	25/7	17⅜	17.91
Nacional Fin. 5½ 88	0¼	96⅜	96⅞	25/9	14⅞	15.39
Nat. Bk. Canada 5¼ 88	0¼	96⅞	97⅜	24/9	14½	14.93
Nat. West. 5¼ 94	§0¼	97	97½	14/10	16.19	16.65
Nat. West 5¼ 92	§0¼	97⅛	97⅝	23/10	16.81	17.27
Pemex 6 91	0¼	96⅝	97⅛	8/10	15.31	15.81
Sparebanken 6 87	0¼	99	99½	19/6	19⅞	20.03
Standard Chart. 5¼ 90	0¼	98¼	98¾	3/9	17.08	17.32
Svenska Hndlsbk. 5 87	0¼	98¾	99¼	15/7	17.81	17.99

Average price changes... On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	95⅞	97⅛	+0⅛	30.19
Canon 6¾ 95	1/81	829	138¾	140⅛	+0⅛	0.10
Credit Suisse 4¾ 93	10/79	1238	88½	90½	−2½	−0.03
Digicon Fin. 8½ 95	10/81	29.5	†109	110	+6¼	−2.11
Hanson O/S Fin. 9½ 96	8/81	2.74	92	92¾	−0⅛	1.12
Ina Overseas 8¾ 2000	4/81	42	101½	102¼	+1⅛	0.63
Inchcape Ltd. 8 95	2/81	4.65	91	92½	−1½	−1.13
Kotobukiya Co. 7 96	4/81	619	†93½	94½	+1⅛	−6.87
Manon Int. Fin. 9 95	12/80	15.5	82½	84	+0½	32.35
Matsushita El. 7½ 95	11/80	680	104½	105¼	−4⅛	−4.67
MEPC 8¾ 96	2/81	2.47	95½	97	−0⅛	14.96
Niigata Eng. 7½ 96	1/81	327*	†102	104	+2	17.49
Nissho-Iwai Co. 8 96	10/80	398	†74	76	−1	−3.88
Ricoh 6⅝ 95	8/80	604	122⅝	123⅞	−0⅛	−1.68
Sumitomo M. Ind. 7 95	2/81	181	123¼	124¼	−4	−2.28
Swiss Bk. Cpn. 6½ 90	9/80	200	72	74	+0¼	14.30
Taylor Woodrow 8¾ 90	1/81	4.94	107⅛	108⅛	−0⅛	0.05
Tokyu Land Cpn 7¾ 96	4/81	325	100⅝	101⅛	−3	2.86
Transco Int. 8¾ 95	2/81	68	81	82½	+0⅛	26.34
Tricorp 8½ 95	12/80	31.25	81½	83	0	28.52
Union Bk. Switz. 5 89	2/80	70.79	74½	75½	+0½	5.62
Fujitsu 5 84 DM	7/79	431.5	180⅛	181⅛	+3⅞	−0.64
Sharp Cpn. 6½ 88 DM	9/80	585	181½	182½	−2	−2.62
Uny Co. 6½ 85 DM	11/79	879.3	106½	107½	−0⅛	−3.43

* No information available—previous day's price.

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Shareholders criticise Commerzbank board

BY STEWART FLEMING IN FRANKFURT

THE SUPERVISORY board of Commerzbank, West Germany's third largest commercial bank, was sharply criticised by shareholders yesterday for failing adequately to monitor their bank's affairs.

In the course of the annual meeting in Stuttgart, which, with a luncheon break, lasted more than seven hours, a succession of shareholders questioned the performance of the bank and decision the board had taken which contributed to last year's dismal financial performance.

Commerzbank last year became the first major German commercial bank in post-war history, to fail to pay a dividend. The parent bank had to draw on reserves in order to avoid declaring a loss while the Commerzbank group suffered a 76 per cent drop in after-tax profits to DM 33.8m ($15m).

Shareholder disenchantment with the bank's performance has reached, by German standards, an extraordinary pitch.

The German Investor Protection Society has proposed that shareholders vote against approving the actions and conduct of the supervisory board and the board of managing directors. At the same time a number of leading banks have written to customers on whose behalf they hold Commerzbank shares, saying that they would only vote in favour of approving the board's actions on the express wish of the beneficial shareholders.

Shareholders were told that there had been a significant improvement in the bank's earnings in the first three months of 1981. Interest earnings in the quarter were DM 273m, compared with DM 235m, while commission earnings totalled DM 108m compared with DM 99m.

After deducting expenses of DM 313m, the bank's surplus on interest and commission earnings was DM 68m against DM 25m in the first quarter of last year. The bank again held out the prospect of at least a break-even result in 1981.

Fiat in telecommunications deal

BY RUPERT CORNWELL IN ROME

THE FIRST step towards the creation of a new Italian telecommunications grouping has been taken with the long-awaited signing of a technical and commercial agreement between Italtel, a subsidiary of the IRI state conglomerate, and Telettra, the transmissions and fibre optics offshoot of Fiat.

The main immediate provision of the deal is for the two concerns to work closely together in foreign markets. This is likely to be followed by "specific operational agreements"—a clear reference to hopes of forging an Italian-dominated consortium of companies to compete for the huge orders likely at home and abroad as national telephone systems and modernised with all-electronic technology.

The deal is also an important step towards forming a new relationship between the public and private sectors, after the frequently difficult experiences of recent years.

It is indeed the second major accommodation within 15 months involving Fiat, which is the country's largest private enterprise, and IRI. Early in 1980 the two removed a source of wasteful competition between them by rationalising their nuclear power activities under the aegis of IRI's Finmeccanica subsidiary. The two groups also gave Fiat overall charge of their aeroengine making.

Yesterday's agreement does much the same, in the sense that it seals Italtel's pre-eminence in the field of switching technology, and that of Telettra in the transmission area. No share exchange will take place, but the two concerns will seek to rationalise their product lines to avoid

Record sales for Roche

By John Wicks in Zurich

CONSOLIDATED sales of Roche, the Swiss pharmaceuticals group, and its Canadian holding concern, Sapac, rose 12.8 per cent last year to SwFr 5.85bn ($2.83bn), surpassing the previous turnover record of SwFr 5.48bn in 1977.

Net income rose 5.7 per cent to SwFr 231.6m ($112.4m). This, however, was still far below the SwFr 475m recorded in 1976.

The Basle parent company, F. Hoffmann - La Roche, increased its net profits from SwFr 61m in 1979 to SwFr 62m last year. The board is to recommend an unchanged gross dividend of SwFr 550 per share

State aid for Cellulosa

BY WILLIAM DULLFORCE IN STOCKHOLM

A FOREIGN bank consortium with $46.5m on loan to Norrlands Skogsägares Cellulosa (NCB, could feel "completely safe," Mr. Nils Aasling, the Swedish Minister of Industry, said after the Riksdag (Parliament) had voted an amendment to the Government Bill injecting SKr 400m ($83.3m) in new capital into the troubled pulp and paper company.

The Government has had to take a 74 per cent stake in NCB but has declined the foreign banks' demand for a state guarantee of their loan.

A Liberal member of the Riksdag yesterday joined the Social Democrat opposition to vote in favour of a five-month reprieve for the Hörnefors mill, which the NCB board intended to close. The simultaneous abstention of a Moderate (conservative) member meant that the amendment was passed.

However, NCB will operate the Hörnefors mill on a separate account, with further losses on the mill being met by the state. Mr. Aasling said the amendment in no way affected the plan to return NCB to profit.

The SKr 300m extra capital voted by the Riksdag would give NCB a solvency ratio of 25 per cent. The remaining SKr 100m is in the form of a long-term loan.

German savings banks move up-market

BY STEWART FLEMING IN FRANKFURT

QUEEN KATHERINA of Württemberg, who in 1818 founded the Württembergerische Landessparkasse, would surely turn in her grave if she knew what has become of the institution she created.

The striking yellow and blue colours the bank employs to advertise itself in Stuttgart, the modern LG logo it has adopted as a trade mark—and the bold steps it is taking to replace its bank clerks with automats have a brash aggressiveness which would, no doubt, have appalled the Queen.

However, what has happened to Württembergerische Landessparkasse in the past few years provides some insight into the reasons why the big German commercial banks such as Deutsche Bank and Dresdner Bank, are paying great attention to the competition they face from regional and savings banks.

It is not widely appreciated just how fragmented the German banking market is and what competitive pressures this can create. Bundesbank statistics, however, clearly show that while the commercial banking sector as a whole has a 25 per cent share of German banking volume (and the big six banks have around 10 per cent) this is precisely matched by the share the German savings banks hold.

Increasingly however, in the post-war period, the term "savings bank" has become a less than adequate term with which to describe the range of operations of some of these institutions.

In terms of lending to corporations and self-employed businessmen the savings banks have some 13 per cent of total credit volume. They have a slightly larger share of the domestic lending to private individuals.

That the savings banks have been able to hold on to their position and in some areas build on it in the face of the aggressive and powerful big commercial banks, has much to do with their strong historic position. But it is also noteworthy for those dogmatists who write-off public ownership as a route to certain destruction in the face of free market capitalism. Most of the savings banks, including the successor to the staid institution Queen Katherina founded, are publicly owned, mostly by municipalities.

This is true of Stuttgart's brash Landesgirokasse, which was formed by the merger in 1975 of Queen Katherina's Würtembergerische Landessparkasse and the Girokasse Offentliche Bank and Sparkasse Stuttgart. Mercifully, the merged banks recognised that even their German customers might find this merger a bit of a mouthful and hit on the happy compromise of Landesgirokasse for the new institution's name.

In part, the merger reflected the problems facing the Stuttgart-based institution, which, in common with many other German savings banks, had reached the limits of its growth in Stuttgart and was finding that population shifts out of the city were even eroding its retail market.

That retail banking base was a strong one, however. Dr. Seighardt Rometsch, managing director of the bank, claims that still today Landesgirokasse has about 60 per cent of the Stuttgart banking market measured in terms of the number of cheque account customers. What the merger did, however, was free the Stuttgart bank from city limits (regional restrictions on expansion are a dominant characteristic of savings banks) by bringing in an institution with the right to do business throughout the whole of Württemberg.

> **The major commercial banks now take very seriously the threat of competition from their lesser rivals among the many regional banks in Germany**

The area is a stronghold of medium-sized corporations, particularly engineering-based companies, as well as the home of such giants as Daimler-Benz, Porsche and Bosch. At the time of the merger the total published assets of the two institutions was around DM 9bn ($3.98bn); now it is about DM 13bn.

In addition, however, a business strategy has been charted, aimed at what Dr. Rometsch describes as the "high net worth" private customer and the corporate customer outside Stuttgart as well as in the city where its private customer base is already so strong. It is a strategy which, no doubt, is already making the bank, with about 250 branches, unpopular with some of the local savings banks in its target area.

In pursuit of its goals, however, the bank has had to change itself internally, and Dr. Rometsch, who is 42 and joined the bank in 1977 after 10 years with New York's Chase Manhattan Bank, has clearly played a leading role in this change. He says that many of the companies the bank is dealing with are "internationally and export orientated."

"They need their bank to accompany them abroad, to advise them and provide services, so if we wanted to preserve our position we had to follow them into export financing, foreign exchange trading and advising and international lending," Dr. Rometsch says.

The companies themselves, which have workforces ranging from 100 to 3,000, are often too small to have in-house expertise of this sort. In the past the big commercial banks dominated this business. Dr. Rometsch clearly sees the opportunity to challenge this predominence.

Moreover, unlike the big landesbankgirozentrale such as WestDeutsche LB, publicly owned banks which have already made their mark on international markets, Landesgirokasse and other similar savings banks have branch networks through which they can develop contacts with customers both corporate and private.

Clearly, the bulding process for Landesgirokasse is in its early phase. It has no overseas branches and has to conduct its Eurocredit business through correspondent banks abroad (not, incidentally, its competitor Landesbankgirozentrale). Moreover, like other banks in Germany it too has been hit by interest rate movements in the past two years and last year was a difficult one.

Profitability too is a crucial variable for the public savings banks, because they must generate their own capital even though they are subject to the strict German banking laws—their public owners do not put in new equity and the banks themselves are loath to ask for it since the request would open up their operations to political inquisitions. For this reason the savings banks, like the commercial banks, are focusing closely on the proposed reform of the banking laws planned in the next 18 months.

Sharp gain in earnings for S.A. Breweries

By Our Johannesburg Correspondent

SOUTH AFRICAN Breweries, the South African beer monopolist which has diversified strongly into hotels, furniture and retailing, raised its operating profit in the year ended March 31 by 69.3 per cent, from R141.2m to R239m ($288m). Turnover advanced 37.9 per cent, from R1.72bn to R2.37bn ($2.86bn).

The turnover increase was well ahead of the estimated 22 per cent growth in private consumption nationwide, and the advance in operating profit resulted to a large extent from a high level of capacity utilisation and related productivity improvement.

The management prefaces its views on prospects for the current year with the warning that the South African economy has entered a phase in its current business cycle in which a slackening in growth is to be expected.

However, consumer spending should continue to grow, and the company should achieve further satisfactory earnings growth.

Capacity utilisation is high throughout the group, particularly in the beer division, and a substantial capital spending programme has been started.

But, under the circumstances of relatively high inflation and rising interest rates, the management believes the group's conservative gearing policies should be maintained. On this basis, the dividend cover is planned to be increased over the next few years.

A total dividend of 27 cents is declared from earnings of 44.3 cents a share. In 1979-80 earnings were 33.6 cents per share and the dividend total was 16.5 cents.

Alfa Romeo to pay first dividend for nine years

BY RUPERT CORNWELL IN ROME

ALFA ROMEO, the troubled state owned motor group, reports a nominal return to profits for 1980. The operating result was a loss of L40.4bn ($36m), against a deficit of L58.3bn in 1979, but a corporate reorganisation has allowed the parent company to register a tiny accounting profit of L1bn.

The result means that for the first time in nine years Alfa will pay a dividend, albeit a totally symbolic L1.92 per share. However, once the bookkeeping devices are stripped away, the affairs of Alfa do not look much healthier than they did in 1979.

Turnover rose by 21 per cent in 1980 to reach L1.670bn against L1.397bn. But an expansion in sales on the domestic market to 120,000 units from the 114,000 delivered in 1979 was more than cancelled out by a slump in exports.

Once again the continuing profitability of the group's operations in Northern Italy, centred on the Arese plant close to Milan were eclipsed by losses from Alfasud's Pomigliano D'Arco factory.

Although 1980 daily output at Pomigliano rose slightly to 436 units from 430, Alfasud registered a loss of L74bn, virtually unchanged from the deficit in 1979.

The group, which is a subsidiary of the IRI-Finmeccanica state owned engineering concern, made total investments of L48bn in 1980. Its performance, however, in the early part of this year has been discouraging, in keeping with the car industry throughout Europe.

In the first two months combined sales of Alfanord and Alfasud slipped to 31,500 units from 33,200 in January and February of 1980. A slight increase by Alfasud was more than offset by a drop at Alfanord to 16,000 from 19,400, reflecting in large measure a further 18 per cent decline in exports.

It seems certain that the group's management will be forced to introduce further substantial layoffs in its workforce, along the lines of the action taken by Fiat, the leading Italian manufacturer. Last week Fiat announced that 68,000 of its car division workers would be made idle for two more weeks this summer.

Advance at Club Mediterranée

BY TERRY DODSWORTH IN PARIS

CLUB MEDITERRANEE, the French holiday village group, raised net consolidaed profits almost 30 per cent from FFr 85.9m to FFr 111.6m ($20.5m), despite the poor state of the international tourist industry.

This result indicates an improvement in margins at the company, turnover of which went up by 24 per cent from FFr 1.98bn to FFr 2.46bn ($456m). The group's cash flow went up from FFr 138m to FFr 173m.

During the financial year, which runs to the end of October, the Club continued to expand rapidly overseas. The most notable move was the opening of a village in New Caledonia, in the Pacific, aimed at the Australian and Japanese holiday markets.

The recent winter season has included the development of the Club's first operation in the U.S. Although the business year started slowly, the company says orders in Europe are progressing well, and that results for the current 12 months should be satisfactory.

Club Mediterranée recently underwent a significant change in its shareholding structure when Mr. Gaith Pharaon, a Saudi Arabian financier, bought a 5 per cent stake in the group.

● French banks plan domestic bonds totalling FFrs 2bn ($370m) next week, to be placed privately through their own networks.

Credit Lyonnais is offering a FFrs 1bn bullet over eight years with a 15.3 per cent coupon to yield 15.36 per cent gross at issue. Banque Nationale de Paris will raise a similar amount through two issues of FFrs 500m. One tranche will be a fixed rate offering and the second will be a variable rate issue.

Record result for Tan Chong Motors

By Wong Sulong in Kuala Lumpur

RECORD PROFITS have been reported at Tan Chong Motors, the distributor of Datsun cars in Malaysia and Singapore, with pre-tax earnings for 1980 rising by 56 per cent to 102m Ringgit (US$44m) on turnover up by 43 per cent to 614m Ringgit (US$265m).

After-tax profit was up by 60 per cent to 52.2m Ringgit. The final dividend is 15 per cent with an additional 5 per cent gross, based on capital increased to 96m Ringgit through a one-for-one scrip issue.

Korea Exchange Bank to raise $500m Eurocredit

BY ANN CHARTERS IN SEOUL

THE KOREA Exchange Bank plans to tap the Euro-credit market for $500m this month, according to Government officials. This follows closely on the heels of the successful $400m Korea Eximbank loan concluded last month. It is predicted here that the KEB will try for even more favourable terms and conditions than the Eximbank secured.

The funds for the Korea Eximbank loan were raised in two tranches. Lenders agreed to provide $200m in a syndicated credit at ⅜ per cent over the London inter-bank offered rate (Libor) for eight years and $201m as a note purchase. The bank sold $201 worth of loans that were already guaranteed by such prime foreign banks as Citibank, Morgan Guarantee and others. The rate for the second tranche was ⅛ per cent over Libor.

The lower rate on the note purchase portion of the syndication reflects the guarantee feature, which, according to local bankers, enables the borrowing to be considered substantially as a non-Korean risk.

Hong Kong removes new issue moratorium

By Adrian Boven in Hong Kong

THE Hong Kong Federation of Stock Exchanges has lifted its moratorium on new share issues but has warned that the four exchanges will scrutinise applications for new listings closely before granting approval.

The moratorium was imposed on March 3 because trading on the stock market had been depressed by fears that several companies were planning to make new issues on expensive terms and that this would drain too much money from the market.

The Federation said yesterday that these fears had eased and it had decided it was time to return control of new listings to the Stock Exchanges.

The first issues to come to the market, however, would be regarded as test cases and the Federation has not eliminated the possibility of re-imposing a moratorium should there be too many requests for listing at the same time.

The Federation has so far opposed a queue system for new issues because it believes the Hong Kong market is too volatile and that some issues which would otherwise be well regarded would not find an appropriate place in the queue.

The moratorium did not affect rights issues and, while it was in force, a HK$420m issue by Paliburg Investments, a property company, was only 20 per cent subscribed, causing underwriters losses of an estimated HK$100m. In addition, a HK$360m new issue by the Sino Land Company, which was announced on the same date as the moratorium, was only 46 per cent subscribed, bringing underwriters additional losses.

Critics of the moratorium have said that it was unnecessary because those losses themselves prompted underwriters to limit the number of new issues they were planning to bring into the market. In addition, they said it was inappropriate for restrictions on raising new capital to be imposed on a capital market.

Underwriters said yesterday that they believe investors are still prepared to take up new issues but because of the failures of Sino Land and Paliburg, such issues must now come from well-regarded companies and must offer discounts from net asset values of about 25 per cent rather than the average of about 10 per cent which characterised some issues earlier this year.

ELECTRONICS IN THE FAR EAST

Foreign companies turn to Taiwan

BY DAVID HOUSEGO, RECENTLY IN TAIWAN

AT LEAST one senior executive of a major international electronics group has no doubts. For an electronics manufacturer seeking a combination of higher technology, local skills and government support "there is only one place to be in the Far East, and that is Taiwan."

This rosy assessment of Taiwan comes from a company which has already invested heavily in the country as an offshore centre from which to supply components to its subsidiaries worldwide. But before further expanding its commitments it scouted out the alternative possibilities in the Far East of Japan, Malaysia, Singapore, Hong Kong, South Korea, and the Philippines.

Other foreign companies appear to take a similar view. Approved applications for foreign investment in Taiwan rose by 37 per cent last year to about $480m, which was in turn a 64 per cent increase on the previous year. Much of this went into electronics including new commitments of $1.5m by Texas Instruments (for integrated circuits), $1.5m by RCA (television components), and $1.5m by GTE International (electronic switching systems). Among major U.S. concerns apart from these with substantial investments in what has been traditionally a U.S. dominated market are Clinton (picture tubes), Zenith (television/audio equipment) and Ampex (audio components).

Of European companies, now increasingly expanding their interests in Taiwan, Grundig is enlarging its operations in the Free Trade Zone at Kaoshiung from black and white television sets and television tuners to complete colour sets. Philips, which is the largest single foreign investor in electronics on the island, has also improved its product range.

Electronics products are fast overhauling textiles as the country's major export, with overseas sales last year totalling $2.9bn out of overall exports of $19.7bn. The place of export growth slowed down marginally last year to 25 per cent, but this is still a handsome achievement and, in any case, comes on top of a decade of annual average growth of 35 per cent.

Foreign companies and joint ventures contribute over half the country's electronics exports. The importance of foreign companies in the electronics industry is also shown by their accounting last year for 38 per cent of its output.

The government, which recently drew up an ambitious ten-year plan for the electronics industry, is pinning its hopes on this sector as the growth area for the 1980s and the 1990s—a period which Taiwan wants to capture a niche in the international data and information processing market.

The Taiwan Government is pinning its hopes on electronics as the growth area for the 1980s, a period in which the country seeks to capture a place in the international data and information processing markets. Foreign companies are being attracted to Taiwan by the combination of higher technology, local skills and government support

The pressure behind this attempt to break into the technology intensive industries is that rising labour costs in a country of virtually full employment are fast eroding Taiwan's competitiveness in labour intensive products. Like Japan, the country has scant resources apart from educated manpower.

Among its attractions, for foreign electronics manufacturers are:

● Education standards are high amongst the hard studying Chinese. Colleges and universities turn out 6,000 graduates and 15,000 technicians a year. Some foreign companies are shifting their design and product engineering to Taiwan. Grundig, for instance, has recently taken on 20 Taiwanese engineers.

● Components, chemicals and machinery can be purchased locally. Unlike the Philippines, for instance, or even Singapore, Taiwan has a broad manufacturing base. Thus, apart from items such as sophisticated numerically controlled machine tools or certain special steels, companies do not have to look offshore for supplies.

● The Government provides attractive incentives and support. The new statute on foreign investment, promulgated in July, is more liberal than the previous one on tax rates and the import of machinery. Major companies have direct access to senior officials, up to the Prime Minister.

The Government is anxious to prod the industry into new directions over the next ten years. Currently, about half its output is in consumer electronics (with a strong bias to television sets and audio equipment) and another 40 per cent in consumer grade components, leaving it particularly vulnerable to recession abroad. The government wants to shift the balance more to commercial and industrial products.

It has picked out four strategic areas for future development. On the consumer side it sees opportunities in videocassette recorders (VCRs) and view-data systems. Sales of black and white television sets have already been given a new lease of life as manufacturers have adapted tubes for use as computer terminals.

The other areas are: microcomputers and computer software, telecommunications, where the introduction of a digital switching system is expected to provide a strong local market, and semiconductors.

But the Government also wants to see Chinese companies playing a larger role in the industry and undertaking more of their own research and development, so as to gain the strength to innovate in later years.

The three largest companies—Tatung, with a turnover of $700m a year, Sampo (about $200m) and TECO (about $100m) have all grown fast and diversified so widely that they are possibly overstretched. Both Tatung and Sampo have established TV manufacturing plants in the U.S., in part to avoid protectionist pressures, and Tatung recently bought the television division of Decca. But most Chinese companies are small scale and often inefficient in assembly operations. Of more than 1,000 registered Chinese electronics companies in 1977, less than ten had sales of $10m or more.

As part of its attempted shift towards knowledge-intensive industries, the Government has established a "science park" at Hsinchu near Taipei. This is modelled on the Stanford Industrial Park in California.

After a slow start, it has attracted some 15 new ventures including both multinationals and adventurous local concerns. Wang Laboratories Taiwan has put $1m into a small operation to produce the 2,200 MVP microcomputer while undertaking associated research into a Chinese character input/output system. Potentially, there is a massive market on the mainland for a computer using Chinese characters.

Four young American-educated Chinese, fresh from working in the U.S. computer industry, have launched a new company, called Microtek, for developing microcomputer products. The Park, into which the Government is expected to put about $1bn, also wants to attract more companies involved in data processing, optics and precision instruments and machinery.

Some of Taiwan's plans may be wishful thinking. But there is little doubt that the island has established its claim to be a serious electronics manufacturer and that its educated workforce will continue to be a major attraction for foreign investors.

Saudi bank increases income

By Mary Frings in Bahrain

SAUDI INVESTMENT Banking Corporation (SIBC) has reported net income for 1980 of SR34.86m ($10.37m), an increase of 3.6 per cent on the SR33.63m earned in 1979.

Dr. Mahsoun Jalal, the chairman, said that after the rapid growth of its first three years of operation, SIBC had spent much of 1980 consolidating its position in Saudi banking. Although income growth was only moderate, the bank now had a sound basis for the next stage of development, he said.

Gross operating income increased 11.5 per cent from SR91m in 1979 to SR102m, but total assets jumped 84 per cent from SR2.28bn to SR4.81bn ($1.25bn). Loans grew by 12.8 per cent to SR1.68bn, while deposits rose 91.7 per cent to SR3.15bn.

The dividend was 15.43 per cent, but shareholders received 12 per cent after payment of Zakat — the contribution to social causes required of devout Muslims.

SIBC is a specialist medium-term lending institution formed to channel private financial resources into industrial, commercial, and agricultural ventures in Saudi Arabia. Saudi public shareholders own 36 per cent of the SR90m capital, and Chase Manhattan Overseas Banking Corporation owns 20 per cent. The remainder is spread between three Saudi banks and the national insurance organisation, as well as Commerzbank, Industrial Bank of Japan, and J. Henry Schroder Wagg.

Record results for OBUs in Bahrain

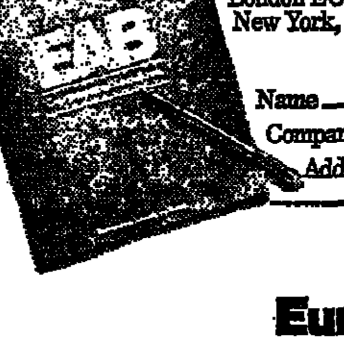
By Our Bahrain Correspondent

BAHRAIN'S 58 Offshore Banking Units reported record net earnings of U.S.$191m in 1980, the Bahrain Monetary Agency has announced. Although no results are published for individual OBUs the Agency says the majority had an exceptionally profitable year. This was despite unfavourable market conditions including the effect of the war between Iraq and Iran.

The net earnings figure represents a 50 per cent improvement over 1978, the previous best year. No profit figures were released for 1979, but they were thought to be comparatively disappointing.

The Agency says foreign exchange earnings in 1980 were 40 per cent higher than in 1978 and other income also increased substantially. Net overall interest margin on average assets rose from 0.52 per cent in 1979 to 0.72 per cent.

A 35 per cent increase in assets over 1979 from U.S.$27.8bn to U.S.$37.5bn, is attributed to further growth in the business of established OBUs as well as to the entry of seven new ones, which included Arab Banking Corporation.



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PRICE INDEX	5.5.81	28.4.81	AVERAGE YIELD	5.5.81	28.4.81
DM Bonds	88.84	89.43	DM Bonds	10.054	9.930
HFL Bonds & Notes	92.28	92.88	HFL Bonds & Notes	10.831	10.701
U.S. $ Strt. Bonds	82.98	83.87	U.S. $ Strt. Bonds	13.558	13.388
Can. Dollar Bonds	85.95	86.58	Can. Dollar Bonds	13.312	13.067

مكتبة الأصل

WORLD STOCK MARKETS

Early bargain hunt lifts Dow

BARGAIN - HUNTING lifted stocks on Wall Street in early trading yesterday after six consecutive sessions of falling prices.

The Dow Jones regained 7.21 to 979.65 by 1 pm as advances led declines by about two to one on volume of 35.2m shares. The NYSE All Common Index added 75 cents to $76.05.

However, analysts said the *market remained vulnerable to* further erosion of prices because of the expectation that U.S. interest rates would rise further. *This was in the light of the* warning yesterday by Mr. Donald Regan, the Treasury Secretary, that he expects interest rates to remain high for several months.

Volume leader Conoco climbed $7 to $56⅞ by midsession. Dome Petroleum said it plans to make an offer for 13 per cent of Conoco, then seek to exchange a portion of the stock for the Hudson's Bay Oil and Gas stock held by Conoco. Dome was up $1⅛ to $79¾, while Hudson's Bay closed on Tuesday at $23.

Among other actives American Broadcasting gained $¾ to $1¾ and IBM $¼ to $58 but Beckman Instruments lost $⅝ to $34¼.

Oil issues were generally firm. Active Natomas added $5½ to $26⅜. Standard Oil of Indiana $1⅛ to $57⅞ and Atlantic Richfield $1 to $50¾.

THE AMERICAN SE Market Value Index added 4.56 by 1 pm to 354.54 on volume of 4.13m shares.

Canada

Markets paralleled New ork in reversing their downward trend *in an active early trade.*

In Toronto, advances outnumbered declines 281 to 131 by noon as the Composite Index rose 16.4 to 2,263.18. Volume was 2.94m shares.

The Oil and Gas Index jumped 74.5. Among actives, Gulf Canada gained $¾ to $24⅛ while Imperial Oil rose to $33½.

Dome Petroleum was up $1¼ at $95¼ on its plans for involvement in Conoco and Hudson's Bay Oil and Gas. Hudson's Bay did not trade yesterday morning.

Elsewhere British Columbia Forest Products, which announced newsprint price increases, led the actives and rose $¾ to $19¾. Computel surged C$7½ to C$19¾. Computel surged C$7½ to C$18 after a C$2½ gain yesterday.

The Montreal Combined Index added 2.63 to 355.79 mid-session. *Closing prices for North America* were not available for this edition.

Germany

Most leading shares on the Frankfurt bourse strengthened on moderate turnover, with the Commerzbank Index up 1.2 to 705.7. This was attributed to a respite for the D-mark, based on a slight easing of U.S. interest rates.

Volkswagen led Vehicles up DM 3.50 to DM 154.50, with BMW up DM 2 at DM 170 after opening DM 1 lower. Daimler Benz gained DM 1.70 to DM 301.50.

Hoescht led Chemicals DM 1 up at DM 23, and in Stores late buying lifted Kaufhof DM 3 to DM 178 after Horten made the early running, gaining the same amount but closing only DM 2 higher.

Losers against the trend included AEG, which flopped to an all-time low of DM 51.20 on its new shares after opening *fractionally higher.* It pulled Dresdner Bank down DM 2 to DM 151.50.

In other Financials Commerzbank gained a bare 10 pfennigs as Herr Paul Lichtenberg, its acting chairman, told the annual meeting that first quarter surpluses on interest and commission earnings had risen, and expressed cautious optimism for 1981.

The Domestic Bond market was extremely weak, with Public Authority paper easing up to three points and the Bundesbank buying DM 58.3m (DM 35m). D-mark Eurobonds held steady.

Paris

Bourse prices eased on profit-taking ahead of Sunday's presidential election, reversing this *week's firmer trend.*

Easier sectors included Foods, Constructions, Rubbers, Stores, and Vehicles where Peugeot lost *FFr 2 to FFr 166.*

Tokyo

Sharp losses over a wide *front were led by Electricals.* Autos, big Capitals and other Blue Chips *following* higher U.S. interest rates. Tuesday's further *retreat on Wall Street and the* setback for the yen against the dollar.

The Nikkei-Dow Jones Market Average *fell 92.38 to close* at 7,465.30 after losing 143.11 at the morning close, the largest fall in 18 months. The Tokyo *New SE Index shed 6.84* to 552.17 with volume of 400m shares.

Early losses were pared towards the close on bargain-hunting by foreign investors but Sony ended Y160 down at Y4,240. Honda Motor Y49 at Y920, Hitachi Y15 at Y600 and Nippon Steel Y9 to Y210.

Precisions, Drugs, Foods, Securities firms, Insurers and Electric Powers suffered major losses, but Oils, Coals, Shippings and Non-ferrous Metals firmed.

Matsushita shed Y50 to Y1,440, Fuji Photo Y40 to Y1,520, Nippon Electrical Y18 to Y732, Mitsubishi Electrical Y16 to Y324 and Kawasaki Heavy Industries Y9 to Y220. The Second Market fell sharply in light trading.

Hong Kong

Stocks emerged mixed to mar*ginally firmer on low turnover* after Tuesday's slide. The Hang Seng Index firmed 6.87 to end the half day's trading at 1,420.34.

A dealer noted there was some nervousness ahead of the weekly interest rate meeting of the Hong Kong Association of Banks tomorrow.

Among Properties, Sun Hung Kai firmed 20 cents to HK$14.40 and Cheung Kong 10 cents to HK$25.70. In other leaders, Hongkong Electric five cents to HK$8.10 while Hongkong Land *lost 10 cents to* HK$12.20.

Hutchison Whampoa added 10 cents to HK$16.20. Jardine Matheson was unchanged at *HK$19.50* and Swire Pacific "A" gained 20 cents to HK$16.

News that the Federation of Hong Kong Stock Exchanges is *immediately to lift the* moratorium on new scrip issues appeared to have little impact on the market.

Singapore

Prices closed narrowly mixed after moving erratically throughout the day on bouts of profit-taking and buying support in moderate trading. None the less, the Straits Times Index rose 7.56 to a record 892.50.

Among leaders, Boustead rose 60 cents to S$8.80, Fraser and Neave 25 cents to S$6.80 and Straits Trading 20 cents to S$13.30.

Australia

Stocks firmed as takeover speculation kept the Industrial boards alive and bargain hunters stepped in to underpin selected resource stocks.

The Sydney All Ordinaries Index finished 1.4 up at 706.8, helped by rises in Banks with interest centred on ANZ which added 8 cents to A$4.68.

CBC and CBA each added 5 cents to A$4.50 each while Bank of New South Wales rose the *same amount to A$3.30* and National held at A$3.55.

Elsewhere, late demand for BHP added 25 cents to its price at A$14.25 ex rights.

Johannesburg

Gold moved slightly firmer with the higher bullion price, heavyweights gaining 50 cents on balance while medium and lightweights rose 10 to 20 cents. Two-way trading was fairly active.

However, Mining Financials were mixed with an easier bias, with De Beers off 5 cents to R9.05. Coppers were narrowly mixed.

Industrials closed easier. AE and CI shed 50 cents to R9, Barlow Rand 20 cents to R10.50

Closing prices for North America were not available for this edition.

CANADA

Stock	May 5	May 4
Abitibi	25	25½
Agnico Eagle	12¾	13
Alcan Alumin	39⅝	40¼
Algoma Steel	47¾	48
Asbestos	39½	40
Bk Montreal	29	29⅝
Bk Nova Scotia	29	29⅛
Basic Resources	13½	12
Bell Canada	18½	18¾
Bow Valley	17⅛	17
BP Canada	40	40
Brascan A	32⅞	33⅛
Brinco	9½	8⅞
B. C. Forest	19	19
CadillacFairview	33¼	34⅛
Camflo Mines	33	34½
Can Cement	16¾	15⅝
Can NW Lands	37⅝	38½
Can Packers	35¼	35⅛
Can Perm Mtg	22¼	25⅝
Can Trusco	27⅛	27⅛
Can Imp Bank	29⅞	29¼
Cdn Inds	36¼	36¾
Cdn Pacific	45⅜	45¾
Can P. Ent	23⅝	23¾
Cdn Tire	32	33
Cherokee Res	8⅛	8⅛
Chieftain	20¾	20¾
Cominco	66¼	66½
Cons Bathst A	28	28½
Coseka Res	20¼	20⅝
Costain	11¾	13⅞
Daon Devel	12	11⅞
Denison Mines	46½	46⅜
Dome Mines	105	107
Dome Petroleum	94¼	95¼
Dom bridge	23⅝	23¾
Dom Foundries A	46⅜	46⅜
Dom Stores	23½	23⅝
Domtar	32¾	33⅛
Falcon Nickel	97⅛	101
Genstar	38	38¼
Gt.-West Life	255	255
Gulf Canada	23⅞	24⅛
Gulfstream Res	7¾	7¾
Hawk Sid. Can	22⅜	22¾
Hollinger Argus	48¾	49
Hudson Bay Mng.	30½	30⅝
Hudson's Bay	25½	25¼
do. Oil & Gas	27¾	23½
Husky Oil	16¼	16¼
IAC	10½	10⅞
Imasco	37	36¾
Imp Oil A	32¾	32⅝
Inco	23¾	24
Indal	17½	17¾
Inter. Pipe	15⅞	15⅞
Mac Bloedel	40¼	41
Marks & Spencer	10⅝	11½
Massey Ferg	4.60	4.55
McIntyre Mines	66½	66½
Merland Explor	8	8⅛
Mitel Corp	33⅜	33⅜
Moore Corp	42⅝	43⅝
Mountain State	13½	13¾
Nat. Sea Prods A	11	11
Noranda Mines	31½	31⅞
Nthn. Telecom	43¼	43⅝
Oakwood Pet	19¼	19¾
Pacific Copper	3.10	3.00
Pan can Petrol	87½	90½
Patino	58	58
Placer Dev	21⅞	22¾
Power Corp	22⅝	22½
Quebec Strgn	4.50	4.60
Ranger Oil	15⅝	15½
Reed Stenhs A	12	12¼
Rio Algom	38⅝	39
Royal Bank	29	29⅛
Royal Trustco A	19½	19½
Sceptre Res	14⅝	14¾
Seagram	63¼	64
Shell can Oil	26⅜	25⅝
Steel of Can A	35¾	37⅜
Teck B	17⅞	17¾
Texaco Canada	24	24
Thomson NewsA	21	22½
Toronto Dom Bk.	31¼	31¾
Transcan Pipe	25¼	25½
Trans Mntn. Oil A	12¾	12¾
Utd Sisco Mines	18¾	19
Walker(Hrm)G.H.	26⅜	25⅜
Warrior Res	6.75	6.75
Westcoast Trans	14¼	14¼
Weston (Geo)	35¾	35¾

JOBS COLUMN

Swim or sink for self-help scheme in Swale

BY MICHAEL DIXON

WHEN John Hippisley blithely announced that he already had ten candidates worth shortlisting for the job he was telephoning about, I was somewhat disconcerted. In that case he could hardly need the help of this column, I replied.

But he insisted to the contrary. The job was very special, and deserved the best person available anywhere. The hunt, however, had so far been an essentially local one centred on Swale. And if such a restricted search could discover close on a dozen capable people, goodness only knew what might be flushed out of the Jobs Column's readership. Had I ever heard of Swale, by the way?

He was not at all disconcerted to learn that I hadn't. Most other people were similarly benighted. We'd all be hearing of it soon, however—if the person who got the job did it successfully, that was. Mr. Hippisley would not go so far as to say we might one day come to talk of the place as our ancestors had of Trafalgar or Waterloo. But he wouldn't stop far short of saying it, either.

At this point it began to dawn on me that I was talking to an enthusiast. And it turned out that John Hippisley is by no means the only one among the 100,000 inhabitants of Swale, which is the part of north Kent around Faversham, Sittingbourne, and the Isle of Sheppey.

Their enthusiasm is not particularly fashionable these days. It springs from a belief that the citizens of a locality do better to band together and tackle their own problems, rather than leave them to central Government and meanwhile complain that not enough is being done for their area.

One result is that despite the notorious reluctance of the heads of small businesses to devote valuable time to the collective interest, the Swale enthusiasts have prodded no fewer than 113 of the 200 employers in the area not only into joining a local ginger group, but also into attending its meetings in fairly large numbers. And the problem they have decided to get stuck into at the moment is the one of youth unemployment.

Already about 300 of the area's 16- to 18-year-olds who would otherwise be idle are being catered for by schemes run by the Manpower Services Commission, Kent County Council and the like. But that still leaves many more youngsters emerging from the schools with little prospect of finding work. So the ginger group, which rejoices in the name of Voice, has set itself the target of providing useful occupations for 600 extra young people by early next year.

To this end the group has just taken what is thought to be the unique step of forming a limited company especially to tackle the district's youth unemployment problem — a company which equally rejoices in the name of Swim or, more formally, the Swale Work Initiation Measure.

The borough council has chipped in £25,000. Local companies have contributed a couple of thousand more, plus other resources such as the free use of premises and vehicles. Moves are afoot to have the company officially recognised as a charity. There is a fair chance of some money from the European Economic Commission as well as from the MSC which, if Swim manages to set up approved schemes for 600 youngsters, would evidently finance the employment of an additional 70 or so adults as supervisors, clerical assistants and so on.

But John Hippisley and Swim's chairman Dennis Taylor — who earn their livings as the heads respectively of Shell Research's personnel department and of the local company Propp Corrugated Cases — are under no illusion that unless they find the right full-time leader for the enterprise, all these prospects will probably come to nothing. Worse, so will Swale's hopes of putting itself on the map by setting an example of self-help for other local communities to follow.

The title by which the enthusiasts refer to the person they are seeking is "action controller." But from what I can see, controlling action will be of subsidiary importance to generating it.

The recruit will have to take the lead in such activities as drumming up extra funds, developing training courses tailor made to the local employers' needs of working skills, and swiftly identifying more projects able to provide productive occupations for otherwise jobless young people. The main scheme at present in mind is aimed at developing Sheppey's attractions as a tourist resort.

The sort of person Swim's volunteer head-hunter—Gerry Cassell, head of the local consultancy New Appointments Group—is thinking of is an experienced business manager, with the rare combination of a flair for marketing and the subtlety to win co-operation from governmental and other bureaucratic agencies.

While the company is understandably reluctant to pay a high salary at present, I suspect that an outstandingly qualified candidate might persuade it to cough up £13,000 or perhaps a bit more. But there seems little doubt that however much whoever gets the job is paid, he or she will need to more than earn it. For the outlook is not without clouds.

Probably the darkest of these is the failure as yet of the local trades unions to take up the seat offered to them on Swim's Board. Nor are all the employers in the area uniformly enthusiastic, and it can certainly not be taken for granted that large numbers of teenagers will volunteer to join in the project.

Even so, I feel that such problems would be the reverse of a deterrent to Jobs Column readers. Those interested in the challenge should contact Mr. Cassell at 5 Park Rd; Sittingbourne, Kent; telephone 0795 75431.

Budding oak

GEOFFREY KING of Cambridge Recruitment Consultants wants a financial controller for the fast growing Acorn Computers company in Cambridge. The recruit will be responsible for the financial aspects and the administration of the business, which at present employs about 40 highly qualified people.

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Lyons Tetley Limited, part of Allied Breweries Limited are looking for a management accountant to join them at their Head Office at Greenford, Middlesex as the Budget and General Overhead Accounting Manager.

This is a tremendous development opportunity for a qualified Accountant, with a couple of years industrial experience, to join one of the country's most successful companies in the food industry.

You should have the ability to manage a department of twelve. This job will require good communicative skills as your duties will include co-ordinating the company budget, preparing profit forecasts, directing the monitoring of distribution and administrative overheads and stocks and reviewing administrative expenditure.

In return, we can offer a satisfying, rewarding career with good working conditions, generous company benefits and excellent prospects. Help with relocation expenses will be given if necessary.

Applicants, male or female, should write or phone for details and application form to:
Miss J Hollows, Personnel Officer,
Lyons Tetley Limited,
327-347 Oldfield Lane, Greenford, Middlesex.
Telephone: 01-578 2345 extension 635.

Lyons Tetley

Financial Consultants

We are seeking qualified accountants, probably around 30, who have the ability and drive to carry out important management consultancy assignments in the United Kingdom. Projects involve the practical application of relevant techniques to solving a wide variety of financial, organisational and M.I.S. problems. Much of the work is computer based and consultants are encouraged to develop their expertise by working with other specialist colleagues.

Candidates should have sound commercial or industrial experience and the ability to analyse problems and communicate effectively. First hand experience of the use of computers, preferably associated with new systems development, is essential.

Attractive starting salaries plus non contributory pension scheme and car. benefits are negotiable depending on age and experience.

Write, in confidence, with brief career details to: David Robinson,

Spicer and Pegler Management Consultants,
St Mary Axe House, 56-60 St Mary Axe, London EC3A 8BJ.

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

FOREIGN EXCHANGE DEALER c. £12,000

Prime American Bank seeks dealer aged 25+ with at least 3-4 years dealing experience in all major currencies, FX and deposits. The Bank's major business is in Eurodollar deposits.
PLEASE CONTACT JOAN MENZIES ON 01-248 1858/9

CREDIT ANALYST £ Negotiable

Our client, an international bank, seeks a Credit Analyst with a minimum of 1 year's experience. Candidates must be able to work without detailed supervision and have sufficient experience to enable them to take proposals to credit committee stage. Preferred age 24-28.
Similar vacancies are available offering the opportunity to relocate to the Midlands and France.
PLEASE CONTACT DAVID GROVE ON 01-248 1858/9

SENIOR ACCOUNTS £8,500 - £9,000

Recently established European bank seeks banker whose experience to date must include *all aspects of accounting. The successful candidate will also need to demonstrate the ability* to develop the accounts department to computerised systems.
PLEASE CONTACT JOAN MENZIES ON 01-248 1858/9

Top Executives

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If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management counsellors have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.
We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

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Corporate Lending

Major Merchant Bank — Birmingham

Our client, a major Merchant Bank and in turn part of one of the City's largest financial groupings, have a well developed Corporate Lending side covering all aspects from development capital through to multi-million syndicated loans. They provide both Loan and Equity Finance.

They seek to appoint a Senior Executive—to be based in their Birmingham office—to lead the corporate lending activity in the Midlands.

Ideally, the person appointed will be 30-40, and A.C.A. or A.I.B. and have at least five years' experience of Corporate Lending. He/she will need the depth and technical ability which can only be gained in a major House combined with a flair for negotiation, motivation, etc.

Inclusive salary will be in the range of £14,000 to £20,000, plus car, subsidised mortgage and other Banking benefits. Relocation will be paid where necessary.

Please write with full details to: Colin Barry at Overton Shirley & Barry (Management Consultants), 2nd Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Telephone: 01-353 1884.

Overton Shirley and Barry OSB

Lazard Brothers & Co., Limited

wish to fill the following new posts

Chief Foreign Exchange Dealer

The ideal candidate is likely to be between 30/35 years of age and have a minimum of seven years experience of spot and forward trading in major currencies.

Foreign Exchange Dealer

The successful candidate is likely to be between 25/30 years of age and have a minimum of three years experience of spot and forward trading in major currencies.

Suitably qualified candidates are invited to send full career details, or write or telephone for an application form, to:—

Mr. G. M. Craig-McFeely
Staff Manager
Lazard Brothers & Co. Limited
21, Moorfields, EC2P 2HT
01-588 2721

Banking Personnel

The premier name in Banking Appointments.

26-32 INTERNAL AUDITOR c. £10,500

Use your broadly-based knowledge of the accounting aspects of International Banking to even greater effect as the Internal Auditor for the new London branch of a major European bank.
The ability to communicate effectively at managerial, and indeed all levels is essential, as the successful candidate will be reporting direct to the bank's senior management on the Continent. Qualifications are not as important as sound practical experience, but possession of A.I.B. or equivalent will be advantageous.
For further particulars please ring TREVOR WILLIAMS on 01-588 0781.

27-35 SENIOR DOC CREDITS c. £10,000

With minimum 5 years' experience of all aspects of letters of credit, to assume No. 2 role in expanding department of small Merchant Bank.
Please ring MIRIAM CHANCE for further information on 01-588 0781.

OUR NAME IS YOUR GUARANTEE OF CONFIDENTIALITY.

41/42 London Wall, London EC2. Telephone: 01-588 0781

YOUNG BLUE BUTTON

experience not essential

Replies to:
E. C. Duckworth (Dealing Partner),
BUCKMASTER & MOORE,
The Stock Exchange, London.
EC2P 2JT. Tel: 01-588 2868.

ACCOUNTANT/COMPANY SECRETARY

A small company, based in Surrey, well established and pursuing a policy of expansion, wishes to appoint a qualified Accountant to take control of its affairs.
In addition, the successful candidate will, on retirement of the present Company Secretary, assume those responsibilities which include acting as deputy to the Managing Director.
This is a new appointment and applicants must possess sound commercial experience perhaps in either publishing, printing or advertising.
A five-figure salary is envisaged together with benefits which include a company car.
Please write with full career details to: The Managing Director, c/o W. J. Calder Sons & Co., 22, Park Street, Croydon CR9 3HU.

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

SYNDICATIONS Neg., $55,000+ — Experienced Loan Syndicator, early 30s, with Latin American specialisation including (ideally) fluent Spanish, sought by major American bank for appointment based in U.S.A.

BOND SALES c. £18,000 — Large U.K. merchant bank seeks Bond Sales Executive, 30+, with approx. 4 years' relevant experience. (Also, for the same department, a younger individual with some exposure to bond sales: c. £10,000.)

BOND OPERATIONS c. £12,000 — Operations Manager, c. 30, sought by U.S. investment bank for Settlements Department. E.D.P. experience, preferably IBM34/Midas, is more important than Euroclear accounting knowledge.

F.X. DEALER (SENIOR) to £18,000 — Senior post within U.S. bank's well-established London dealing-room, for an accomplished F.X. Dealer (25-30) with approx. 5 years' experience.

CORPORATE FINANCE £8-10,000 — Two Accepting Houses each seeks a graduate Chartered Accountant, 25-28, for a career opening in Corporate Finance.

ACCOUNTANT to £14,000 — Qualified Accountant/graduate (25-32), with relevant international banking experience including EDP and staff management, sought by U.S. bank to manage accounting area.

FAR EAST AUDITOR equiv. £15,000+ — High-calibre bank Auditor, early 30s/single, sought by major American bank to manage Far Eastern banking audits. Hong Kong base, with high degree of travel.

For further details, please telephone David Little or Richard Meredith

First floor—entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Financial Controller

c.£12,500+Car

Property Management

This position will be of interest to accountants who are seeking the responsibility of running the finance/accounting function in an organisation concerned with a substantial portfolio of investments by offshore companies. The Financial Controller will report directly to the Chief Executive and will have a wide brief encompassing administration, accounting, taxation, investment appraisal and budgeting/forecasting. There is a small supporting staff. An active interest in the business and the ability to take a forward view, whilst controlling day to day affairs, is essential.

Applicants should be qualified accountants with a working knowledge of taxation. Whilst relevant commercial experience would be an asset, applicants from the profession will be welcome. Age guideline, late 20's/early 30's. Location – Central London.

Please write in confidence to R. H. Mason at 78 Wigmore Street, London W1H 9DQ showing clearly how you meet our client's requirements, quoting 6052/FT. Both men and women may apply.

John Courtis ... and Partners ...

Head of audit

London, c£23,000

C&L

For one of the largest corporations in the communications industry, exceptionally well placed to meet the challenges of the 1980's during a period of rapid growth and technological change.

Reporting to an Executive Director responsibility will be for further formulating, directing and implementing a comprehensive audit policy throughout the organisation.

Unquestioned professional independence and strength in organisational and management skills are essential.

Résumés including a daytime telephone number to J G Cameron, Executive Selection Division, Ref. CF009.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

Management Reporting

Credit Suisse First Boston Limited is a leading international investment bank based in the City. They require someone with several years experience in an accountancy environment within Banking to prepare monthly management reports for the main bank and its subsidiary companies.

Assisted by 2 staff you will also initiate departmental operating statements, issue reports for regulatory authorities, year end accounts and deal with the pension fund accounting.

An attractive salary is offered together with the normal range of banking benefits which includes a subsidised mortgage.

Please contact:
Tom Kerrigan, Personnel Manager,
Credit Suisse First Boston Limited,
22 Bishopsgate, London, EC2N 4BQ.
Tel: 01-283 4200.

CSFB

CHIEF DEALER REQUIRED

A well established overseas bank shortly to commence operations as a licensed deposit-taker in London requires an experienced Chief Dealer. The person must be conversant with all aspects of the foreign exchange and money markets. Remuneration negotiable. Interviews will be conducted from week commencing Monday, 18th May. Applications, enclosing full c.v. and giving telephone number for immediate contact, should be sent in confidence to:

Box A.8499, Financial Times, 10 Cannon Street, EC4P 4BY

PART QUALIFIED ACCOUNTANT

£6,750 aae

This elite Merchant Bank currently seeks a person with at least 2 years accounts experience, who is presently studying for professional qualifications.

The successful candidate will become involved in all aspects of management and financial accounting, and should be prepared to take early responsibility.

Excellent working conditions and benefits apply, including mortgage facilities, bonus and S.T.L.

For further details call
Mike Blundell Jones on
01-439 4381

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BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Finance Director

Near Newcastle-upon-Tyne,
£16/17,500 negotiable + car and benefits

For a progressive independent food retailing company, turnover £50 million, operating 54 stores and supermarkets in North East England and Scotland. Accountability is to the Chairman and Managing Director for the direction of all financial, management information and systems development aspects of the business. Strong emphasis is placed on formulation and execution of corporate policy as a member of the small, executive Board and there will be opportunity for responsibilities extending well beyond the financial role. The requirement is for a professionally qualified accountant with experience at senior management level in computer based financial control gained in the context of consumer products or services with strong market orientation. Age envisaged is 30 – 45.

G.T. Walker. Ref: 42323/FT. Male or female candidates should telephone in confidence for a Personal History Form **0632-27455,** *4 Mosley Street.* NEWCASTLE-UPON-TYNE, *NE1 1DE.*

Major International Firm of Consulting Engineers . . .

FINANCIAL CONTROLLER

Surrey **c. £17,500 + Car & Benefits**

Our client is one of Britain's leading engineering consultancies, offering a comprehensive service in a wide range of engineering fields. With a well-established U.K. base of business, and a reputation for design excellence, the firm is particularly active overseas, especially in growth areas such as the Middle and Far East.

Responsible to the Board, the appointee will assume full control of the financial affairs of the firm, involving performance reporting, budgeting and forecasting, financial management and advice to senior management. In addition, there is an emphasis on accounting systems development, and there will be considerable international involvement, especially at contract negotiation and pricing stages.

Candidates must be qualified accountants in their mid 30's to 40's, with commercial experience at a senior level. In addition to accounting skills, the ability to relate effectively to others, organisational flair and a desire for total involvement are qualities our client seeks.

Written applications enclosing c.v. should be directed, in confidence, to Anthony J. Forsyth B.Sc., at 410 Strand, London WC2R 0NS, Tel: 01-836 9501, quoting reference 3242.

DOUGLAS LLAMBIAS DLA
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants

and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

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DIRECTOR

Medium-sized company requires experienced insurance manager of any age to join Board on consulting / non-executive basis to expand existing business and introduce new products. Satisfactory terms to be negotiated.

Write Box A7505, Financial Times, 10 Cannon Street, EC4P 4BY.

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(SCANDINAVIA)

Major international bank seeks person with good contacts and business development experience in Scandinavia

to £22,000

Please contact Mike Pope or Sheila Anketell-Jones
01-236 0731

Q. S. Banking
Recruitment Consultants
30-31 QUEEN STREET, LONDON EC4

CAREER OPPORTUNITIES IN INTERNATIONAL BANKING

CREDIT ANALYST **Age 24-28** **c £9,500**

A well-established and rapidly expanding International Bank of high repute seeks to appoint a capable and ambitious person with a minimum of 2 years' credit analysis experience. The successful candidate must be able to work with a minimum of supervision, and be of the ilk to develop his/her career on the marketing side. Duties include the review of existing facilities, the preparation of financial reports on an international basis, project reports, etc. From the outset, the appointee will accompany a marketing officer on visits. Prospects for personal development are limited only by ability, and an excellent range of benefits is offered, in keeping with the bank's standing.

F/X ACCOUNTING **Age 25-30** **c £10,000**

A major North American Bank in the City requires a mature and experienced person to fill an interesting and challenging position. The job involves the preparation and provision of accounting figures, trading analyses and control reports for an active Foreign Exchange division. The successful candidate will have acquired a sound background in this type of work, and will demonstrate personal qualities conducive to the supervision of staff and regular liaison with senior management. The position is at First Appointment level, and prospects for further advancement are excellent. A wide range of benefits will substantially augment the negotiable salary.

To discuss the above appointments, in confidence, please contact ROD JORDAN

RODAN RECRUITMENT LIMITED
80 BISHOPSGATE · LONDON EC2 01-628 4704

Career Opportunity With Major Multi-national . . .

Atlas Copco

CHIEF ACCOUNTANT

Hemel Hempstead **c. £13,000 + Car**

Our client is the U.K. subsidiary of the Swedish multi-national, Atlas Copco A.B., a world leader in the manufacture and marketing of compressed air equipment and systems. Worldwide turnover is around £630m, with U.K. operations contributing £22m.

Reporting to the Finance Manager, the Chief Accountant manages the accounting function to ensure the timely production of financial and management information. Additionally, there will be considerable involvement in systems development, as well as international accounting, taxation matters and special investigations and reports.

Candidates should be qualified accountants in their 30's with sound management experience in a commercial or industrial environment. The ability to manage effectively and contribute generally to the running of the business are important attributes. Prospects for international promotion are good.

For further information write, enclosing c.v., or telephone Anthony J. Forsyth B.Sc., at 410 Strand, London WC2R 0NS, Tel: 01-836 9501, quoting reference 3240.

DOUGLAS LLAMBIAS DLA
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants

and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

APPOINTMENTS WANTED

BUSINESS ORIENTATED male 26, supervisory buying, stock control, accounts, work 60 hours week for good wages. Write Box A.7496, Financial Times, 10, Cannon Street, EC4P 4BY.

CREDIT COMMERCIAL DE FRANCE (SECURITIES) LIMITED

requires a

EUROBOND DEALER

We are expanding our Eurobond operations over the next two years, combining an increase of capital base with diversification into new areas of investment. We intend to enhance our activities in the Floating Rate Note sector and we are looking for an additional Eurobond dealer.

The IDEAL APPLICANT will have a good knowledge of the market in CDs and FRNs as, if successful, he/she will be responsible for not only maintaining a market but also for building up and managing a large portfolio of FRNs.

ATTRACTIVE salary together with substantial fringe benefits and excellent career opportunities within the CREDIT COMMERCIAL DE FRANCE group are being offered.

Please write in confidence to:
Mr. D. Carlone, General Manager
Crédit Commercial de France (Securities) Ltd.
41 Eastcheap, London EC3M 1HX

HENRY COOKE, LUMSDEN & CO.

Members of The Stock Exchange

CORPORATE FINANCE DEPARTMENT

An assistant is required for this rapidly expanding department located in the firm's Head Office in Manchester. Applicants, who should be between 25 and 30 years of age, should have legal or accountancy training and have experience in corporate finance work. They will be able to draft and prepare prospectuses and circulars in connection with new issues, rights issues, mergers, etc., and will be familiar with Stock Exchange and Takeover Panel procedures. Some travel is involved. Salary by negotiation according to age and experience.

Applications in confidence to:

P. G. Clemence, HENRY COOK, LUMSDEN & CO.,
P.O. Box 369, Arkwright House,
Parsonage Gardens, MANCHESTER, M60 3AH.

Commodity Account Executives

London

The Merrill Lynch group are the world's leading commodities futures brokers. Due to expansion, our UK Regional Commodities Office is moving soon to new and larger quarters at Finsbury Square. This will enable us to take on a further number of seasoned commodity professionals, who will become responsible for both development and servicing of individual and large commercial accounts.

Ideally, applicants for these Commodity Account Executive posts should be CFTC registered and experienced in metals or soft commodities. If, however, you have sales experience and a thorough knowledge of physical commodities or commodities futures we would also like to hear from you.

This is an outstanding business career opportunity and successful candidates can look forward to an extensive training in London and New York and will be supported by Merrill Lynch's fully competitive professional services.

Starting salary will be related to experience and expertise, and the total remuneration package will be determined by your own efforts and ultimate results.

If you are ambitious and seek professional challenge and rewards please send full details of your career to date to:—
Nigel T. Carter, Recruitment Officer,
Merrill Lynch, Pierce, Fenner & Smith
(Brokers & Dealers) Ltd.,
Merrill Lynch House, 3 Newgate Street,
London EC1A 7DA.

Merrill Lynch

S. & W. BERISFORD LIMITED

Group Management Accountant

This highly diversified and expanding group wishes to appoint a highly motivated qualified accountant to the above position.

Reporting to the Group Financial Controller he or she will assume responsibility for the accuracy of financial/management reporting and control of budgeting and capital expenditure procedures. Assistance with business development planning through the budgetary process and close liaison with subsidiary managements, will be an integral part of his/her responsibilities.

The successful candidate must possess personal qualities of initiative and a level of determination commensurate with achieving objectives independent of head office support. A clear demonstration of relevant experience in commerce/industry will be essential. It is anticipated the salary will be in the region of £15,000 p.a. and a car will be provided.

Opportunities for advancement will present themselves for an individual of exceptional ability.

Full details of relevant experience to be submitted in writing to:

Mr. A. H. Morton, S. & W. Berisford Ltd.
50, Mark Lane, London EC3R 7QJ

FINANCE DIRECTOR

(DESIGNATE)

Surrey **c.£11,000 plus car**

An opportunity has arisen for a commercially-minded Chartered Accountant to join an autonomous subsidiary of a public company. The company is concerned with distribution of plastic products throughout the U.K.

Responsibilities will include Financial Management Reporting, Cash Control, Long-Term Planning, Budgeting, DP Control and Management Development.

Aged 30-35 you must be a fully-qualified Chartered Accountant with considerable financial and commercial experience, ideally gained in the distribution industry. A negotiable salary of £11,000 is offered, together with car.

Reply to the Managing Director, Box A.7507 Financial Times, 10 Cannon Street, EC4P 4BY.

CHARTERHOUSE APPOINTMENTS
Europe House
World Trade Centre
London E1 9AA

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for American trading house, to market financial futures as an investment to major institutions. Knowledge of Bond market and U.S. futures essential. Age 35/42. c.£20,000 basic.

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for major stockbroker. Specialist knowledge of either the Banking or Energy sectors essential. Age 28/37. c.£11,000 basic.

ENGINEERING ANALYST
with at least 3 years' experience and an ability to sell equities to investors, required by UK Stockbroking Co. Salary commensurate with age and experience.

SETTLEMENTS CLERK
with at least a years' experience of all aspects of Settlements sought by international brokers. Age 23/27. c.£6,000

Please contact David Lubbock on the number below (or 01-223 0730 evenings/weekends)

01-481 3188

INSTITUTIONAL EQUITY REPRESENTATIVE

Richardson Securities of Canada require an experienced North American institutional equity representative for their London office. Attractive salary and benefits package negotiable.

Please apply in writing with full C.V. to:
R. S. Matthews, Manager,
Richardson Securities of Canada,
1/9 City Road,
London EC1Y 1BH.

Director of Administration

Home Counties c.£30,000

A major commercial group seeks a new head for its administrative and accounting staffs, decentralised outside London. The initial emphasis will be on rationalising the systems and organisation structure, to contain head-count and other expenses, eliminate duplicated or inefficient functions and make optimum use of existing and potential EDP support.

Candidates are likely to have *had* management experience in administration, management services or related functions, gained in banking, insurance, travel or other complex high-volume operations (*traditionally labour intensive and now moving to massive EDP use*). Preferred age 40-55. Degree or professional qualification desirable. Clear evidence of recent achievement essential.

For brief job description write in confidence to John Courtis at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting *7077/FT. Both men and women may apply.*

John Courtis and Partners

Schroders

SCHRODER UNIT TRUSTS

Stockbroker Liaison Executive

Schroder Unit Trust Managers is looking for someone to promote its unit trusts among the stockbroking community. The company has entered a phase of vigorous expansion and this position represents an important part of it.

The successful applicant is likely to be over thirty and to have spent some years in stockbroking, probably dealing with private clients. He/she must be prepared to do some travelling within the U.K.

The position provides a competitive salary, a non-contributory pension scheme and other benefits including a motor car.

Applicants should please send C.V.s to:
Ian Sampson, Managing Director,
Schroder Unit Trust Managers Limited,
48 St. Martin's Lane, London, WC2N 4EJ.

EUROPEAN OPERATIONS REVIEW

Pharmaceuticals London WC1

Wyeth Europa Limited is the European co-ordination group of Wyeth International, a major division of American Home Products Corporation. Its operating companies are responsible for the *research, development, manufacture and marketing of* a wide range of pharmaceutical and nutritional products, with an unbroken record of profitable growth.

An Operations Executive is now sought to join a small team reporting to the Vice-President for Operations and Finance. This executive will review financial budgets and forecasts, monitor monthly performance and analyse expenditure proposals for all aspects of the business in selected countries. Close liaison with senior management in operating companies and distributors is necessary, as well as contact with the parent company to meet corporate reporting requirements.

Applications are invited from commercially oriented accountants and business graduates, who wish to broaden their management contribution in a European context. Candidates, aged 26-35, should show evidence of sustained achievement, preferably within the ethical pharmaceutical industry, and of linguistic ability. The position will initially be London-based, followed by relocation to the west of Heathrow within 18 months.

Please write in confidence with full details of career and salary progression to:

R. A. Johns
Personnel Manager
Wyeth Europa Limited
31-32 Alfred Place
London WC1E 7DS

Wyeth

The Investment Specialists

OIL ANALYST
£15,000 to £20,000 + bonus
A thoroughly experienced oil analyst with sound knowledge of the UK majors and other companies to take over responsibility for coverage of the sector with major firm of Stockbrokers.

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£8,000 to £15,000 + bonus
Graduate, 24-28, with a sound track record in research or institutional sales plus a keen interest in, if not experience of, Japan to join established team in well known firm of Stockbrokers.

UK ANALYST
£10,000 to £15,000 + benefits
Graduate, aged 26-35, with at least 3 years UK investment research experience and an interest in overseas markets for expanding investment dept. of Major Institution.

GILT RESEARCH
£10,000 to £20,000 + bonus
Economist, 27 to 40, with a proven track record in the gilt market to join the economics dept. to establish and produce a regular gilt publication for leading firm of Stockbrokers.

For a confidential talk about these, or many other positions, with Stockbrokers or Institutions, from £6,000 to £30,000, please contact F. J. Stephens or A. Innes.

Stephens Associates
International Recruitment Consultants
35 Dover Street, London W1X 3RA. 01-493 0617

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InterExec is the unique career planning and job finding service for senior executives.

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Telex 27795 — InterExec House, 22-23 Old Burlington Street
Birmingham — 021-643 2924 – Martin Carter
Elizabeth House, Suffolk Street, Queensway
Manchester — 061-236 3732 – Ken Butterworth
Sunley Buildings, Piccadilly Plaza

InterExec

TREASURY ANALYST

East Anglia ACA, MBA or similar

THE COMPANY is a major public group with interests in a wide variety of business areas. Markets include both the consumer and the corporate sectors with a heavy emphasis on investment in future products.

THE VACANCY lies within a small head office Treasury and Corporate Finance department, and reports straight to the Group Treasurer. Responsibilities embrace all aspects of the Treasury function in a large company, along with a broad range of ad hoc assignments for the Group Financial Director.

CANDIDATES should have an interest in developing a career in finance rather than technical accounting. Age range 25-30.

SALARY *is negotiable and will reflect the importance of* the position. Assistance with relocation will be given if appropriate.

Please apply in confidence to Nigel Halsey

Chichester House, Chichester Rents, London WC2A 1EG. Tel: 01-242 5775

Career Plan LIMITED
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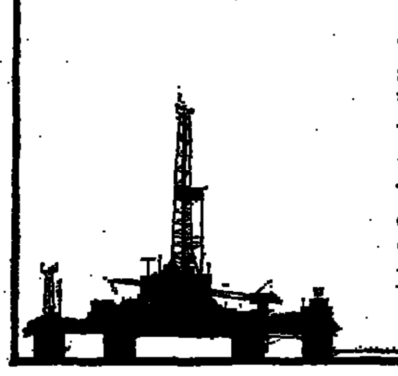
Accountant



Sovereign is a successful British Independent actively engaged in North Sea Exploration.

The Company is undertaking a long-term drilling programme as operator of recently awarded licences and is looking for a qualified accountant with extensive oil accounting experience to join a dynamic and aggressive team.

The Accountant will initially be responsible for budgets and forecasts, financial statement preparation and joint venture accounting.

The position has excellent potential for growth as the *Company's development activities increase.*

The Company offers a highly competitive salary commensurate with experience, together with an exceptionally attractive benefit package.

Please forward C.V.s in confidence to:

Employee Relations, Sovereign Oil & Gas Ltd.,
5, Buckingham Gate, LONDON, SW1E 6JQ.

Eurobond Sales — Trainee

SALARY £10,000-£14,000 + mortgage facility

A leading merchant bank in the City is expanding its Eurobond sales operation. It is therefore seeking to appoint a young executive who is ambitious, articulate and highly motivated. Candidates must have a basic knowledge of the Eurobond market, but will be given further training in this field. They will be graduates, probably aged between 24 and 28, with a solid merchant banking or stockbroking background. Foreign languages useful.

Lending Officer

SALARY £12,000-£15,000 + mortgage facility

Due to continued expansion on the corporate lending side, a major American bank has several opportunities both in *the UK and overseas.* Candidates should be graduates, aged between 25 and 30 who have undergone a two-year training programme with a leading American corporate bank. The positions offer a great deal of responsibility and the potential for promotion in the UK and abroad.

Please telephone or send a detailed C.V. in strict confidence to Miss Philippa Rose, Crone Corkill & Associates Ltd., 23, Wormwood Street, London, EC2. Tel: 01-628 4835.

Crone Corkill
(Recruitment Consultants)

ASSISTANT IN THE TREASURER'S DEPARTMENT

The Treasurer's Department at the *London Headquarters of RTZ, the UK-*based mining and industrial group, is involved, either directly or in an advisory capacity, with fund raising, cash management and planning, currency risks, dividend policies, remittances, and investment funding proposals, as well as a high proportion of varied corporate matters. The workload handled by this department has created the need to recruit a member of the small professional team who will assist in *all aspects of the department's* work, but will specifically be responsible for:

- Preparing a monthly report on certain cash positions;
- Monitoring the cash and borrowing position of subsidiary companies;
- Reporting on market rates, interest rate structures and share price movements;
- Participating in corporate *matters as required.*

The job is most likely to appeal to a young man or woman who is a business school graduate or who, since qualifying as a chartered accountant, banker or lawyer, has had 2 or 3 years' experience and is now looking for a move into the commercial aspects of financial and treasury work.

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Please write or telephone for an application form to:

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Tel: 01-930 2399

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ACCOUNTANTS for SAUDI ARABIA

Our Client, a subsidiary of a large American service company with operations in Europe, Middle East and Africa, has immediate vacancies for the following personnel.

MANAGER circa £21,000 pa
The successful applicant should be a qualified Accountant with a minimum of 12 years accounting experience, 5 years of which should have been with an international accounting firm as Audit Manager. We are interested in hearing from candidates with construction industry audit experience. **Ref: RC061**

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Please write in confidence with full career details, quoting the appropriate reference number, to Mr S Wood, SPW (Recruitment Services) Ltd., 604 Hatfield Road, Smallford, St Albans, Herts. Telephone: St Albans 53769.

SPW Recruitment Services Ltd

Finance Director

c. £21,000

Our Client is a Group of Companies located in the South East which manufactures and distributes a range of fast-moving consumer goods. The company is expanding rapidly by planned growth and acquisition.

Reporting to the Chief Executive, prime responsibilities will be to advise the board on all aspects of policy and to control subsidiary company accounting activities.

Candidates must be Chartered Accountants, aged around 40. They will have current experience of commercial management in a consumer goods manufacturing environment.

The package includes a bonus and a quality car.

Apply in writing quoting ref 8077, to Peter Barnett, F.I.P.M., M.I.M.C., Barnett Keel Limited, Providence House, River Street, Windsor, Berks. SL4 1QT. Tel: Windsor 56723. Telex: 849323.

Barnett Keel
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Chief Executive

Investment Group

London £50,000

Our client is a holding company which has its administrative headquarters in London. Its investments, located in Europe and overseas, span property, financial services and industrial companies. The management of these assets, as well as their administrative supervision, will be the responsibility of the Chief Executive.

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As consultants to management, we undertake not to release the name of any respondent to our client without his/her express permission.

Replies to Box No. A7497, Financial Times, 10, Cannon Street, London EC4P 4BY.

CHARTERHOUSE APPOINTMENTS
Europe House
World Trade Centre
London E1 9AA

Recruitment Consultant

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To manage new Banking & Stockbroking Division

Having operated successfully in the recruitment business specialising in Commodities for 9 years, we now seek a dynamic and self-motivated recruitment professional to lead a small active team operating in the Banking and Stockbroking fields.

This is a challenging opportunity for a person with management potential and with a background in a banking recruitment agency, who now wishes to take control of his/her own Specialist operation.

In return the Company offers responsibility, back-up assistance and a basic salary of c. £10,000 plus commission on the Division's turnover. Total income package anticipated to be c. £15,000.

Please contact Robert Kimbell, Director, on the number below (or 01-622 8847 evenings/Weekends).

01-481 3188

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Contact:

Robert Baird
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Tel: 01-930 2953

INTERNATIONAL APPOINTMENTS APPEAR TODAY ON THE FOLLOWING PAGE

R-H

FX DEALERS

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Merchant bank seeks bond salespeople with 3/5 years relevant experience in European and Eastern Markets. Languages an advantage. Salary to £17,000.

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Marks and Spencer require a qualified Accountant in his/her mid-twenties for their London Head Office.

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The position offers an excellent opportunity at a later stage for the development of a Management career within the financial areas of the company.

The salary is negotiable, but will be in the region of £11,000 p.a.

There are many excellent benefits including non-contributory pension and life assurance scheme, four weeks holiday after one year's service plus profit sharing after a qualifying period.

Please write for further details to
Mrs. S. E. A. Young, Marks and Spencer,
Michael House, Baker Street, London W1A 1DN

St Michael
Marks and Spencer

Young Investment Analyst

London Stockbrokers

We are seeking to appoint a young man or woman with "A" levels to join our team of investment research analysts. Previous experience an advantage but not essential. School-leavers will be considered. A full training will be given and the successful candidate will be encouraged to develop his or her ideas, and to take an active part in securing business. Salary to be negotiated.

Please write with C.V. to:
M. J. Hooper
CHARLES STANLEY & CO.
18 Finsbury Circus, London EC2M 7BL

International Appointments

Germany
Financial Controller

- The German subsidiary of a $2 billion fast growing multinational requires a controller based in Munich.
- Candidates should have an appropriate university degree or accountancy qualification and experience in a financial role with a multinational company ideally in Germany. Non-German candidates with fluent German and relevant experience can also be considered.
- Salary very negotiable. The company has a reputation for paying top salaries for high quality personnel. Promotion prospects are genuinely interesting.

Send a c.v., ask for an application form or telephone for a confidential discussion on the appointment to S.W.J. Adamson, FCA, 117 George Street, London W1, England. Telephone: UK (0462) 55303 (24 hour answering).

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International Financial Recruitment

Financial Manager
For a Major Financial Institution
Saudi Arabia
Salary around US$50,000

Our client requires an experienced Financial Manager to manage a division of around 15 people responsible for all general accounting, bookkeeping and loan administration. The appointed candidate will also advise senior management on the introduction of financial policies and regulations and on future development of the financial and related administrative areas.

Candidates should be qualified accountants and/or graduates with at least five years' experience in administration and financing including at least two years with close involvement in the preparation of financial accounts and in general accounting preferably gained with a financial institution. Specific requirements are for previous exposure to budget processes and to the use of EDP in the production of financial reports. Fluency in English and Arabic is required.

Attractive tax free salary is negotiable according to experience together with an extremely competitive and comprehensive benefits package which includes free married accommodation, transportation, medical, a generous annual leave with free air fare and children's education.

Please write or telephone (01-730 0255) in strict confidence to G. E. Yazigi ref. B1091-3.

MSL middle east
Management Selection Limited
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW

Money Manager
Major Irish Public Group
Dublin, Ireland

The company has developed through organic growth and acquisition at home and overseas into a large and very successful group, which plans further substantial growth. The need has arisen at the group's headquarters in Dublin for a very experienced Money Manager.

The appointed candidate will be expected to make a significant contribution to the further development of the group's important money management function, particularly in the foreign exchange area.

The salary and conditions offered will be commensurate with the experience and responsibility attaching to this senior position.

Please write – in confidence – to E. C. Harty, ref. 84205.

This appointment is open to men and women.

MSL United Kingdom Australasia Benelux Canada France Germany Ireland Italy Scandinavia South Africa Switzerland U.S.A.
Management Selection Limited
International Management Consultants
49 Upper Mount Street Dublin 2

INVESTMENT ANALYSTS
THE GULF

The need for increased expertise has created the requirement for senior investment analysts to join an official investment institution based in the Middle East, Gulf region.

The need is for portfolio experts, one of whom will assume responsibility for monitoring the performance of the portfolio management of fixed interest, another to monitor equity investments in various parts of the World. There is also a requirement for direct market operations from Head Office. Comprehensive experience in major international markets is a necessity and a detailed knowledge of eurobonds, foreign exchange, commodities, real estate and modern developments in portfolio theory is required.

Additional responsibilities will include participation in formulating the long-term strategy of investment activities together with training and development of a high calibre support staff.

The positions are offered on the basis of initial two year contracts, renewable subject to negotiation, and the overall renumeration and benefits will amply reflect the importance which is attached to them. Applications should be submitted to Box A7504 in time to reach London by May 31, 1981. Applicants must include career histories and full details of home addresses and telephone numbers to facilitate interviews at short notice.

EMPLOYMENT CONDITIONS ABROAD LIMITED

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01-637 7604

OIL COMPANY MANAGING DIRECTOR

Swiss-based multi-national company active in the petroleum sector seeks a dynamic, experienced chief operating officer for its petroleum subsidiaries.

The successful candidate will be responsible for

- —The expansion of an active crude oil trading and processing division.
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- —The expansion of wholly-owned product marketing networks in conjunction with the company's refining programme.
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Attractive salary and benefits commensurate with qualifications and past accomplishments.

Replies together with curriculum vitae and references should be sent to Cipher M 18-118351 to Publicitas, CH 1211 Geneva 3.

Wardley Australia Ltd
EAL
CORPORATE FINANCE
Sydney, Melbourne & Brisbane

Wardley Australia Ltd, a subsidiary of Wardley Ltd Hong Kong, is seeking additional experienced and self-motivated corporate finance executives for Sydney, Melbourne and Brisbane to assist with the planned expansion of its corporate finance and advisory services. Preferred age range 25-35.

Candidates should have at least three years appropriate experience with a merchant/investment bank, stockbroker or other relevant institution. Ideally candidates should possess a degree in accounting, law or commerce. An MBA would be an advantage. An attractive and flexible remuneration package will include, motor car and house loan benefits. (SW. 679)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W.1., quoting reference. No identities divulged without permission.

INTERNAL AUDITORS
OVERSEAS

The American International Group is one of the largest insurance groups of its kind in the world, employing 19,400 people in more than 130 jurisdictions.

Due to expansion and promotion within the Group, the following vacancies have arisen for young qualified Accountants (CA, ACCA, ACMA):

INTERNAL AUDITOR—AUSTRALASIA
Following training in New York and London, the successful candidate will be based in Melbourne for approximately two years covering assignments in Australia, New Zealand and the South Pacific Islands. Subsequent promotion and development within the Group will be expected following this assignment.

INTERNAL AUDITORS—WORLDWIDE
Vacancies exist in the Group's worldwide Internal Audit team. Applicants can expect to be travelling extensively so single status and mobility are essential requirements. A second language such as Spanish, French or German will be a distinct advantage.

These appointments are accompanied by a generous tax-free salary and an excellent benefits package. *Please telephone the Personnel Department for an application form on 01-681 2555, Ext. 206. or write with comprehensive career details to:*

Mr. D. Healey, Personnel Manager
AMERICAN INTERNATIONAL GROUP
American International Building
12/14 Sydenham Road, Croydon CR9 2LG

Australia's largest Commodity Broker is seeking:

FLOOR TRADERS
Aged 22-24 years, salary stg 10,000
ACCOUNT EXECUTIVES
Aged 26+, salary stg 15-20,000—package

Australia is rapidly developing a reputation as an important commodity centre and as such as ideally placed to take full advantage of the growing interest in commodities futures trading.

Darlington Commodities Limited is Australia's largest commodity investment house, with offices in each capital city. As leaders in a dynamic investment area, our emphasis is on growth and service. As part of an expansion programme, we require additional staff of the highest calibre to join our Futures Division Head Office in Sydney.

It is important that successful applicants are career minded and relish the prospect of becoming part of a highly professional and energetic Futures team.

Australia is currently enjoying an economic revival based on bountiful energy reserves and an abundance of natural resources—residents enjoy an exceptionally high standard of living in a country ideally suited to leisure and recreation.

Our National Futures Manager will be conducting interviews in London early in May.

Applicants should ring Mr. Peter Thompson on 01-480 7531 on Monday 11th May only, to arrange an appointment, or write to Miss Carlile, 24 Fitzroy Street, London, W1.

We apologise for previously printing the wrong telephone number in our advertisement on Thursday April 30th

International French Private Bank
Based in Paris wishes to recruit

An Experienced Analyst
in the electrical and electronic sectors

The candidate should have at least 5 years experience as an analyst of the sectors involved, although consideration will be given to those with an industrial background.

An attractive remuneration is offered.
Apply with full curriculum-vitae ref. 23,
with a handwritten letter to

Jean GAUSSIN 104 rue de Richelieu PARIS 2e

APPOINTMENTS

New Charterhouse Japhet chairman

Mr. John B. Hyde, who was appointed chief executive of CHARTERHOUSE JAPHET at the beginning of last month, has now become chairman following the retirement of **Mr. Derek E. Wilde**, who remains a deputy chairman and non-executive director of the Charterhouse Group. Mr. Hyde was formerly managing director of Chemical Bank International.

With effect from June 1, Charterhouse Japhet will assume the assets, liabilities and all the business of Keyser Ullman. All activities of the two banks will then be conducted in the name of Charterhouse Japhet. Keyser Ullmann, as such, will cease to trade. Keyser Ullmann became a subsidiary of Charterhouse Japhet following the acquisition by the Charterhouse Group of Keyser Ullmann Holdings in July, 1980.


Mr. John Hyde

★

Mr. Roy Jenkins has taken up his appointment as a director of MORGAN GRENFELL HOLDINGS.

★

Mr. Eddie Vickers, formerly programme controller, becomes managing director, and **Mr. Brian Houben** becomes financial controller and company secretary of SEVERN SOUND.

★

Mr. G. C. M. Barker, Mr. M. A. B. T. Clark, Mr. G. M. Holt and **Mrs. H. M. Luyke-Roskott** have been appointed associate directors of money brokers FULTON PACKSHAW.

★

Mr. Peter F. Ashcroft has been appointed a director of BOOSEY AND HAWKES. Mr. Ashcroft is managing director of Boosey and Hawkes (Musical Instruments).

★

The Queen has approved the appointment of **Mr. Thomas E. Carter** as a public works loan commissioner in succession to **Mr. Cecil H. Stout**, whose term of office has expired; and that **Mr. Charles G. Vaughan-Lee** and **Mr. Richard W. E. Law** be re-appointed commissioners on the expiry of their terms of office.

★

The Lord Chancellor has appointed **Mr. M. B. Scholfield** full-time chairman of INDUSTRIAL TRIBUNALS (SHEFFIELD REGION).

★

Mr. Brian Swinburn, manager of planning and development of Gulf Oil (Great Britain) has been appointed regional director—planning, for GULF OIL COMPANY—INTERNATIONAL. The post involves directing the overall planning of Gulf Oil's refining and marketing operations in Europe.

★

Mr. R. J. Haynes, company secretary of BUCHANAN BOOTH'S AGENCIES, has been appointed a director of that company, of Booth's Distilleries, J. & . iVckers & Co. and assiciated companies.

★

Sir John Read has retired from full time executive duties with THORN-EMI and will be relinquishing his position of deputy chairman. He will continue as a non-executive director.

★

Mr. D. S. Barnes has been elected president of the ELECTRONIC ENGINEERING ASSOCIATION and chairman of Council for 1981-82. He succeeds Dr. P. E. Trier of Philips Industries. Mr. Barnes is the managing director of Sperry Gyroscope at Bracknell.

★

The Secretary for the Environment has appointed **Mr. John Darby** to the Board of the MILTON KEYNES DEVELOPMENT CORPORATION for four years. Mr. Darby is chief estates manager of Norwich Union Insurance Group.

★

Bellway has formed a housebuilding subsidiary BELLWAY (CHESTER). Its directors are **Mr. T. H. Jones**, managing, **Mr. J. Gibson** and **Mr. A. W. Phillips**.

★

Mr. John Leighton has been appointed chief executive of AMEV LIFE ASSURANCE in succession to **Mr. John Archer**, who has left the company. Mr. Leighton is chief executive of Gresham Life Assurance Society. Both companies are part of the Dutch international insurance group NV AMEV.

★

STYLO SHOES has appointed **Mr. Martin Rigby** as managing director and **Mr. Mel Dunn**, operations director, of its Pennywise chain of stores. Both held similar posts with Primark.

★

Mr. K. G. T. Clephane has become chairman of the SHEFFIELD TWIST DRILL AND STEEL COMPANY succeeding **Mr. J. L. Dickinson** who has resigned from that position. **Mr. P. G. Hopwood** has become managing director and chief executive in place of Mr. Clephane. **Mr. L. Johansson** has resigned his directorship and he has been replaced by **Mr. J. Essunger**.

★

Mr. Jan Schethorst, area manager and managing director of Alusuisse (UK), the British subsidiary of the Swiss Aluminium Company, has been appointed chairman and chief executive officer of STAR ALUMINIUM COMPANY, an Alusuisse operating subsidiary in Wolverhampton.

Mr. David Williams has be appointed to the Board TASKER AND BOOTH, a me ber of the Grayston Group,

★

Mr. H. D. Ross, Mr. T. Budgett, Mr. E. O. Bourne, A. M. Briam, Mr. G. P. Smith a **Mr. D. E. Reid** have beco partners of CLIFFORD-TURN

★

Mr. Michael J. Smith has be promoted vice president a general manager, AVE LABEL (EUROPE) from man ing director, Avery La Systems (UK).

★

Mr. L. Gordon Hazzard h been appointed group chi executive of WELLCO HOL INGS, electrical components a industrial development grou He succeeds Mr. J. W. F. H man, who has been acting chi executive since the death of t former chairman and chi executive in December, 1980. M Holman continues as a no executive director. Mr. Hazza was formerly group managi director of MK Electric Hol ings, and is also a non-executi director of Crabtree Electric Industries, a wholly-owned su sidiary of Berec Group.

★

Mr. Malcolm Appleton has be appointed a director of t MANSTON (LAND DEVELO MENTS).

★

Mr. Max R. Zaccar has bee appointed a director of H. SYMONS (AGENCIES). He chairman of the Commerci Insurance Company (Lebano and H. J. Symons (Middle East

★

Mr. David Archer has joine NEWBURY LABORATORIES general manager manufacturin He previously held a simil position at Data Recordi Heads.

★

Mr. M. J. Shea has be appointed managing direct of SIHI-RYALAND PUMP Altrincham. He was previous managing director of Da Piratininga S.A., Brazil.

★

Mr. H. L. I. Runciman h been appointed executive cha man of SHANKS AND McEWA succeeding **Mr. C. G. Mack** who remains on the Board. **M Douglas Ashmead** has also join the Board as a non-executi director.

★

Mr. P. N. Guy has be appointed financial direc of COMET RADIOVISIO SERVICES.

★

Mr. Gerald E. Hills has be appointed deputy chairman ELYS (WIMBLEDON) in ad tion to his position of managi director. He takes over some the duties at present carried c by the chairman, Mr. Vernon Ely. Mr. Hills joined the co pany at the beginning of 1962 company secretary.

★

Mr. D. W. Richardson h been elected chairman of t BRITISH INDUSTRI FASTENERS FEDERATION place of **Mr. D. G. Lynall** w has retired from office.

★

Professor Richard Southwo Linacre Professor of Zoology Oxford University, has be appointed chairman of ROYAL COMMISSION ON E VIRONMENTAL POLLUTI for three years from July He will succeed **Professor Hans Kornberg**, who has be chairman since 1976.

★

Mr. John Cole-Morgan been appointed the first direc of public relations of t BRITISH COUNCIL. He previously deputy head of formation at the Department Trade.

★

Mr. Brian Carr has joi HENDERSON CROSTHWAI AND CO., stockbrokers, as associated member.

★

Mr. John H. Wood has be appointed to the board LITTELFUSE (GB) and is n director and general manager the company which is a s sidiary of the Tracor Corporati U.S.

★

Mr. Frank Naylor has be appointed sales director of Al Liverpool, a subsidiary of Allied Boiler Group.

★

Mr. L. M. Wineland has be appointed general manager director of AVCO FINANCI SERVICES. He succeeds W. A. Barrett, who has beco vice-president with the pa company, Avco Corporation, U

[هكذا بالاصل]

COMMODITIES AND AGRICULTURE

Tractor dealers protest

By Our Commodities Staff

BRITISH FARM machinery dealers will meet members of the Agricultural Engineers Association today to complain about the continuing flow of cut-priced "grey imports" from Europe and North America.

They are upset that nothing has been done to prevent individuals cashing in on manufacturers' different pricing policies in various countries and on the strength of the pound.

Mr. C. Gwilym Evans, president of the British Farm Machinery Association, who will lead the dealers' delegation said yesterday: "We have warned manufacturers that unless they change their pricing policies we will be forced to explore world markets for our customers' requirements."

He said "grey imports" threatened the essential service function and long term investment of the dealer trade. This was contrary to the interests of the British farming community.

Grain exporters meet in Honolulu

HONOLULU — Senior officials from Canada, the U.S., Australia and Argentina are meeting here for the first time since the U.S. and its allies ended their embargo on grain sales to the Soviet Union.

The four nations are expected to discuss a return to a more orderly marketing and will be outlining their own proposed sales to the USSR

Mr. Alan Tracy, the U.S. Agriculture Department's general sales manager, said the twice yearly gathering will last *two days* and will cover crop prospects and orderly grain sales now the stop on new sales to the Soviet Union has ended.

Grain exporters now face a changed pattern in the world grain trade, brought on by the embargo, and that this will be an important talking point here.

Meanwhile, Argentina sold to the Soviet Union and countries like Japan, traditional buyers from Argentina, had to begin looking elsewhere, including the U.S.

None of the four nations participating has yet announced any new grain sales and the Canadian Wheat Board last week declined to comment on trade rumours that Canada was negotiating the supply of 5m tonnes of grain to the Soviet Union for the next five years. Reuter.

UK exporters resume lamb sales to EEC

BY RICHARD MOONEY

BRITISH MEAT exporters have ended their self-imposed embargo on lamb sales to other EEC countries.

Last month these sales slowed to a trickle as British exporters halted shipments which had, for some time, been making losses as a result of an EEC levy imposed under the sheepmeat market support regime agreed last autumn.

But the Association of British *Abattoir Owners announced* yesterday that is members, who account for around 80 per cent of British overseas sales, would be resuming *limited shipments* of sheepmeat to EEC markets in the light of indications that the levy might soon be reduced.

In Britain the regime operates through the payment to farmers of the difference between the average market price received for sheep carcasses and the guaranteed level. If the meat is subsequently exported a "clawback" levy equivalent to this payment has to be returned *to the Common Market* farm fund.

The exporters have two main objections to this system. In the first place they point out that in other EEC countries, particularly Ireland, where a different support system was chosen, exporters pay no clawback at all, so they have a competitive advantage over the British. Secondly, they say, the exported lamb is from the expensive end of the market so the clawback should be based on a higher than average price.

The net result is a crippling addition to British exporters' costs. They tried to hang on to their markets in West Germany and Belgium in the hope that the clawback would be reduced, but when nothing was done abandoned their attempt to sell British lamb on the Continent.

As a result British lamb sales to the EEC, which had been *running* at about *45,000* tonnes a week before the regime came into force, plummeted to a mere 1,500 tonnes a week. *The association said the remaining* sales only represented the honouring of long term contracts by its members.

Hopes are now high, however, that the clawback will be reduced soon. It is believed that the EEC Commission will table a proposal for its abatement at the next meat management committee meeting on May 13.

One suggestion being can*vassed is that a special classifi*cation may be adopted for export quality (i.e. top quality) lambs for calculation of the clawback. Since this would give a higher base price than the overall average used now the clawback would be reduced.

Such a scheme will not appeal to the French, at whose insistence the clawback was included in the regime in the first place. It is possible that they might raise the issue at the Agricultural Council meeting on May 12 (the day before the management committee meeting) in an attempt to prevent the Commission going ahead with its plan.

Pressure for an EEC rethink on the clawback arrangements has not come only from British exporters, however. Their trading partners on the Continent have also been upset by the situation and at least one is known to have written to the *Commission* calling for the levy to be reduced.

The ABAO said yesterday that it had been encouraged by recent indications of a greater awareness, "both here and on the Continent," of the urgent need for a resolution of the problems caused by the clawback.

In lifting their embargo, it said its members were relying on assurances received from the British *Ministry of Agriculture* and from the EEC Commission that steps would be taken in the near future to resolve the situation.

Higher cane sugar price sought

BY CANUTE JAMES IN KINGSTON

THE AFRICAN, Caribbean and Pacific (ACP) group of countries is asking the EEC for a "substantial increase" in the *price of sugar which is sold to* Europe, Mr. Hugh Shearer, the ACP president, said here.

Mr. Shearer, who is also the Jamaican Foreign Minister, *said* the ACP sugar exporters were seeking the increase for the new sugar regime which is now being negotiated, and which *begins in* July. The ACP group has access to a 1.3m tonnes per year market under the sugar protocol of the *Lomé Convention.*

The price under the current protocol was too low, Mr. Shearer said, and increasing freight costs had eaten into the earnings of the exporters.

The sugar exporters said they were concerned at the high and increasing *freight* costs which caused them to sell their sugar at a loss. The new prices which they are asking must give them *a fair return, Mr. Shearer said.*

He did not say what price the ACP exporters were asking. However, the ACP group may *have difficulty in getting sub*stantial increases as the price paid under the sugar protocol is influenced by the world *market price*

The Jamaican sugar industry expects to lose about $45m on the current crop, increasing accumulated deficits to $112m. The loss has been blamed on increasing production costs, a strike by sugar workers earlier this year, and low production which is not expected to be more than 230,000 tonnes when the crop ends in a few weeks.

The industry has said that so *far 135,000* tonnes have been produced, allowing the island to meet its quota of *120,000* tonnes to Britain, under the *sugar protocol of the Lome* Convention. A further 95,000 tonnes will be produced from the current crop, allowing the *island just enough to meet its* domestic requirements

In an economic policy statement recently, the government *says it will be attempting to in*crease sugar production to 330,000 tonnes by 1984, with the hope of finding export markets for 220,000 tonnes, and increasing foreign earnings by $30m.

● World sugar prices rallied yesterday with the October price on the London futures market closing £5.20 higher at £182.175 a tonne. But this was still well below the level ruling a week earlier and at its weekly export tender in Brussels the EEC Commission was again forced to raise the subsidy it pays to encourage sugar exports. The maximum subsidy on white sugar was set at 19.298 European currency units per 100 kilos compared with 17.552 *ECUs last week. Export licences* were granted covering 64,850 tonnes of white sugar and 2,500 tonnes of raws.

Sharp rise in zinc

By John Edwards, Commodities Editor

ZINC values on the London Metal Exchange rose yester*day to the highest level since* early 1979. Cash zinc closed £12 up at £405 and the three months quotation gained *£9.25 to £412.5 a tonne, after* having touched £421 in early trading.

Buying interest in zinc, which *has been one of the* most active metal markets recently, was encouraged by a new round of U.S. zinc *domestic price rises.*

It is also being predicted that workers at the big Cominco Trail smelter in British Colombia will reject the tentative agreement reached earlier this week on the terms of their new labour contracts to replace contracts that expired on April 30. Last week a strike at the Trail smelter seemed a near certainty and it is thought the *workers are in no mood to* compromise.

However, it was noted that there was heavy profit-taking sales when the market reached a significant "chart" point at £420 and there are considerable doubts whether the higher levels can be sustained in view of continuing poor demand for zinc.

Other metal markets were generally quiet. Reports that the management of the El Teniente copper mine in Chile had rejected demands from workers, who have been on strike for a fortnight, made little impact. Cash copper wirebars closed only £4.75 up at £828.25 a tonne.

Tin prices remained steady in spite of another fall in the Penang market overnight taking the Straits tin price there to its lowest level for 33 months at 28.57 Malaysian ringitts a kilo. There was no sign of support buying by the buffer stock of the International Tin Agreement, but London prices closed marginally higher.

Uganda to boost cotton crop

UGANDA HAS launched a cotton growing campaign to boost exports. This follows the rise in the price paid to farmers for seed cotton, from $0.83 to $2.0 per kilo.

Heading the campaign is the Prime Minister, Mr. Otema Alimadi, who has promised to grow cotton on his own farm as an example to others.

MARKET PROFILE: ALUMINIUM

Learning to live with a free market

BY ROY HODSON

THE LONDON Metal Exchange, alert as always to a trading opportunity, opened the world's first futures market in aluminium on October 2, 1978 to a chorus of disapproval from the producers. They claimed the future growth of the industry, which had always been linked to a producer-controlled pricing structure, would be put at risk by speculative trading in the metal.

Almost three years on, the aluminium companies and the London metals traders have learned to live with each other, even to understand each other, and the aluminium industry is finding the LME market a useful independent barometer in an uncertain world.

The first LME deals were struck for metal due to be delivered three months hence at a price of £585.75 a tonne. Since *then prices have climbed as high* as £960.50 (February 1980) only to fall thereafter in just as spectacular a fashion. So-called "free market" aluminium is now being traded on the LME at round £620 to £650 a tonne. That price, only a shade better than the ruling level of three years ago, reflects the international recession and sharp falls in demand for consumer products containing aluminium, particularly *in North America* and Europe, during the last year.

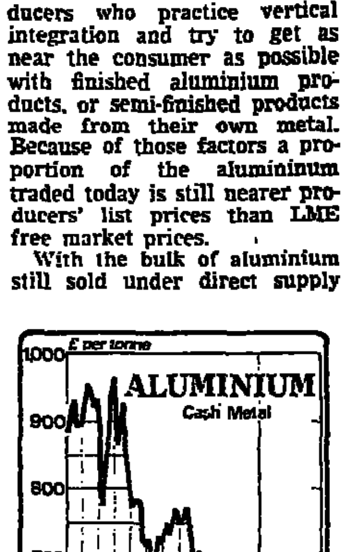
International aluminium producers have doubled their stockpile of unsold metal during the last year. It now stands at nearly 2.5m tonnes. In such a buyer's market a proportion of the direct trading by aluminium producers inevitably is being done at discounted prices below the published list prices of the individual companies.

The present level of producer prices for aluminium ingot is around £815 a tonne expressed in sterling. The gap between that price level and the LME ruling price level shows at a glance the range within which deals are being done.

However, it would be wrong to take the LME price as the true prevailing price level for *aluminium. By far the lion's* share of the annual world aluminium ingot output of some 12.5m tonnes is sold directly by *producers in ingot or fabricated* form to consumers.

There are long-term stable trading arrangements for much of the metal produced. There are also opportunities for added value available to the big producers who practice vertical integration and try to get as near the consumer as possible with finished aluminium products, or semi-finished products made from their own metal. Because of those factors a proportion of the aluminium traded today is still nearer producers' list prices than LME free market prices.

With the bulk of aluminium still sold under direct supply



contracts at prices fixed between the producers and customers, the role of the LME has become established as a useful window through which the free trading in aluminium that does go on can be seen clearly and continuously.

There does not seem any possibility of free market in aluminium seriously displacing the traditional role of the big international producers. The signs are that the present sur*plus of aluminium production* over demand will be replaced by a shortage of the metal, or at least tight supplies, by the *middle of the decade.* That trend will favour the producer-consumer relationship.

To cope with anticipated *world growth in demand for* aluminium of between 3 per cent and 5 per cent a year during the next few years, *international investment in new* smelters must proceed at a pace so fast as to put severe strains upon the companies. The accepted growth formula being practised by all the leading companies is to expand where the energy is cheap. For aluminium production is a power-hungry process. The cost of any new plant must be measured against rival plants able to utilise some of the world's cheapest hydro-electric and thermal power resources by being on the spot.

That is why Australia and Brazil are the two most favoured countries for smelter development during the 1980s and the early part of the 1990s. But even the grandiose plans for aluminium investment in those two countries are subject to continuous review. Some of the ambitious plans for developments in Australia, for instance, are now being re-examined because the price of power may prove dearer than the companies were first promised.

Signs are that some of the aluminium industry's ambitions for fast expansion during the 1980s to match forecast growth in demand will be frustrated by a combination of three factors: political difficulties with host countries, reappraisals of investment while money remains dear, and technical hold-ups arising from the difficulties of linking power projects and heavy industrial investment in remote corners of the world.

The new aluminium plants are likely to take longer than *expected in the planning and* the building before they start to produce. World demand is unlikely to stay conveniently in step with the jerky progress of an industry which is struggling to develop production quickly on an international scale.

Already there are signs that the recession in the important U.S. market will come to an end this year.

If aluminium swings into a situation of short supply as present metal stocks are rundown the producers will still have a certain elasticity in output at their command by reopening the higher-cost smelters which have been taken out of commission recently. *Such a move would increase* production prices. The producers may also be depended upon to use higher prices as *a mechanism to equate demand* with available supplies

In short, aluminium is likely to command higher prices *within a short time of the next* real period of strong demand for the mental becoming established and plain for all to see.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Quietly firmer on the London Metal Exchange with forward metal trading in a £3 range prior to *closing at £852.25. Turnover: 23,200* tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	829.5-3	+4.75	828-.5	+4.75
3 months	851-.5	+5.85	850.5-1	+5
Settlem't	830	+4.5	—	......
Cathodes				
Cash	822.5-3	+6.25	821-2	+5
3 months	839.5-4	+4.5	838.9	+4.75
Settlem't	813	+6	—	......
U.S. Prod	—		*83.65-88	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £828, 28.5, 29, 29.5, 30, 29.5. Three months £851, 50.5, 50, 50.5, 51. Cathodes, cash £823, three months £840. Kerb: Wirebars, three months £851, 50.5, 50. Afternoon: Wirebars, three months £850, 49.5, 51, 50.5. Cathodes, three months £838.5. Kerb: Wirebars, three months £852, 53, 52.5, 53, 52.5, 52.

TIN—Edged higher in routine trading with forward metal finally quoted at £5,995 on the late Kerb. Turnover: 425 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5885-9	+15	5885-95	+15
3 months	6000-5	+10	5990-6005	+17.5
Settlem't	5890	+15	—	......
Standard				
Cash	5885-90	+15	5885-95	+85
3 months	6000-5	+10	5900-6000	+17.5
Settlem't	5890	+15	—	......
Straits E.	‡$28.57	—0.14	—	......
New York	—	......		

Morning: Standard, cash £5,890, three months £6,000, 5,995, 6,000. *Kerb: Standard, three months £6,005,* 6,000. Afternoon: Standard, three months £6,000, 5,995. Kerb: Standard, three months £6,000, 5,995, 90, 85.

LEAD—Little changed on balance. *Forward metal rose* to £339 in the morning Rings, reflecting the strength of zinc and the force majeure declaration by Boliden. Profit-taking pared the price to £332 in the afternoon before a late rally prompted a close of £338. Turnover: 12,725 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	330-1	—14	326-8	—1.6
3 months	338-.5	—3.5	334-5	—1
S'ment	331	—4	—	......
U.S. Spot	—	......	*36-8	......

Morning: Three months £338, 37, 38, 37.5, 38, 39, 38.5. Kerb: Three months £338, 37.5, 37, 36.5, 36, 35. Afternoon: Three months £336, 35, 34, 33, 32.5, 32, 33, 34, 35, 34.5, 34, 34.5. Kerb: Three months £335.5, 36, 36.5, 37, 37.5, 38.

ZINC—Moved ahead in active trading as rumours that workers at Cominco's Trail operation may still go on strike encouraged speculative and trade buying interest. This lifted forward metal to a high of £421 in the morning Rings. Afternoon dealings brought out persistent profit-taking, however, and three months dipped to close the late Kerb at £413. Turnover: 9,650 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	409.5-10	+10.7	404-6	+12
3 months	416.5-7	+14.2	412-3	+9.25
S'ment	410	+15	—	......
Primw'ts		......	*45.75	......

Morning: Cash £410, three months £421, 20.5, 20, 18, 16, 16.5, 17, 16.5, 16. Kerb: Three months £416, 15.5, 15. Afternoon: Three months £415, 14, 13.5, 13, 12, 13, 12.5, 13. Kerb: Three months £413, 14, 15, 16, 15, 14, 13.

ALUMINIUM—Firmer on short covering and light fresh buying which lifted forward metal to £634 by the close. Turnover: 7,775 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	611-2	+1	612-4	+3.5
3 months	631-.5	+1	632-3	+3

Morning: Three months £633, 32, 32.5, 32, 31. Kerb: Three months £631, 30.5, 30. Afternoon: Three months £629, 31, 33. *Kerb: Three months £631, 32, 33,* 34, 33.5.

NICKEL—Higher with forward metal edging ahead to close the late Kerb at £3,020. Renewed buying of cash material widened the backwardation to £20 at one point prior to a closing spread of £20. Turnover: 342 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	3035-40	—	3025-35	+21.5
3 months	3010-5	—15	3015-20	+5

Morning: Three months £3,010, 05, 10. Kerb: Three months £3,010. Afternoon: Three months £3,015.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 3p an ounce higher for spot delivery in the London bullion market yesterday at 517.6p. U.S. cent equivalents of the fixing levels were: spot $10.989, up 10.9c; three-month $11.50, up 9.8c; six-month $12.009, up 7.8c; and 12-month $12.836, up 8.4c. The metal opened at 517-524p ($10.95-11.10) *and* closed at the same rate.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	517.60p	+3.8	518.0p	+1.5
3 months	532.90p	+2.88	533.37p	+1.87
6 months	549.30p	+3.10	—	......
12months	577.00p	+0.55	—	......

LME—Turnover 78 (128) lots of 10,000 ozs. Morning: three months 535, 35.5, 34.5. Kerbs: three months 535. Afternoon: three months 533, 32, 32.5, 33, 33.7. Kerbs: three months 534.

COCOA

Futures remained steady throughout a dull day for prices to close unchanged on the day. Actuals business was neglected with producers withdrawn and consumers showing only modest interest to price fix existing contracts, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
May	911-912	+9.5	917-910
July	930-931	+1.5	[illegible]
Sept	948-949	+1.0	955-948
Dec	975-976	+3.0	986-976
March	993-994	—4.5	1007-94
May	1009-1010	—3.0	1016-10
July	1023-1026	—3.0	1035

Sales: 2,098 (3,161) lots of 10 tonnes. ICCO Futures—Daily price for May 5: 91.08 (92.08); five-day average 92.43 (93.09).

COFFEE

An unchanged opening suggested a continuation of the recent downward trend, reports Drexel Burnham Lambert. However good Commission House buying lifted values sharply during the afternoon reflecting a strong New York performance, with prices closing on the day's high.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1058-59	+6.0	1069-47
July	1070-73	+5.5	1078-59
Sept	1072-73	+6.5	1074-60
Nov	1056-60	+9.5	1067-53
Jan	1050-60	+5.0	—
March	1050-53	+1.5	—
May	1050-60	+1.0	—

Sales: 3,009 (2,774) lots of 5 tonnes. ICO Indicator prices for May 5 (U.S. cents per pound): Comp. Daily ICA 1976 120.25 (120.84): 20-day average 120.42 (same).

GAS OIL FUTURES

The market opened about $2 lower and steadied on light trading during the morning. A sharp rally in the afternoon was short-lived and prices fell back before rallying again to close at or near the highs, reports Premier Man.

Month	Yesterdys' close	+ or —	Business Done
	$ U.S. per tonne		
June	277.00	+4.00	277.50-71.00
July	277.00	+4.00	277.25-71.00
August	279.25	+4.00	279.25-76.00
September	285.00	+4.50	285.00-79.00
October	289.50	+4.50	289.50-84.00
November	294.25	+3.25	294.25-89.75
December	299.50	+3.75	299.50-94.00
January	303.50	+3.50	—
February	307.50	+3.50	—

Turnover: 707 (806) lots of 100 tonnes.

GRAINS

Old crop opened 15p higher. After a slow start wheat values dipped, but the market rallied to close steady 15p up on May and 6p up on July, the main trade being in May. Old crop barley commenced trading 20p down and values gradually eased in very thin trading to close 70p lower on the day. New crop wheat values saw some initial buying interest but trade was generally very slow. Barley hardly traded, Acli reports.

	WHEAT		BARLEY	
Mnth	Yesterd'ys' close	+ or —	Yesterday's close	+ or —
May	115.95	+0.15	101.00	—0.70
July	117.75	+0.05	—	—
Sep	102.20	—0.10	95.75	....
Nov	105.95	....	99.50	+0.05
Jan	109.95	....	103.00	....
Mar	113.60	—0.10	106.45	....

Business done—Wheat: May 116.00-115.55, July 117.75-117.40, Sept. 102.20 one trade, Nov. 106.00-105.80, Jan. 109.90-109.80, March 113.60. Sales: 155 lots of 100 tonnes. Barley: May 101.50-101.00, Sept. 95.75-95.70, Nov. 99.50-99.40, Jan. no trades, March 105.45 one trade. Sales: 39 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent: May 106.50, June 107, July 106.50 transhipment East Coast. U.S. Hard Winter, 13½ per cent: June 106, July 105.50 transhipment East Coast. Maize: French: May 127 transhipment East Coast. South African Yellow: June/July 88.50. *Barley: English Feed, fob:* May 107 and 107.50 traded East Coast, July 23/Aug. 10 97.25 paid South Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Other milling wheat: E. Midlands 115.50. Feed barley: Eastern 100.00, E. Midlands 101.10, Scotland 100.00. The UK Monetary Coefficient for the week beginning Monday May 11 is expected to remain unchanged.

RUBBER

The London physical market opened easier, with little interest throughout the day, closing quiet. Lewis and Peat reported a fob price for No. 1 RSS in Kuala Lumpur of 275.5 (280) cents a kg and SMR 243.5 (245).

No. 1 R.S.S.	Yest'rdy's close	Previous close	Business Done
June	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]

Sales: 114 (119) at 15 tonnes, nil (same) at five tonnes. Physical closing prices (buyers) were: Spot 54.50p (54.75p), June 58.25p (58.75p), July 58.75p (58.25p).

SOYABEAN MEAL

The market opened unchanged in quiet conditions, reports T. G. Roddick. Lack of news saw conditions subdued and prices remained steady.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
June	133.80-35.3	—	133.50-32.50
August	134.10-34.2	+0.55	134.10-34.00
October	136.00-36.4	+0.75	135.50
December	138.80-38.5	+0.55	—
February	138.00-40.0	+0.75	—
April	138.50-42.0	+0.25	—
June	139.00-45.0	—0.25	—

Sales: 26 (129) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £171.00 (same) a tonne cif April-May-June shipments. White sugar daily price £188.00 (£191.00).

The market opened around overnight levels but selling interest was lacking and as shortcovering developed gains of £6-£7. Prices eased somewhat at the close, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
Aug.	180.80-80.25	174.80-74.15	182.00-72.00
Oct.	182.10-82.25	176.95-77.00	183.00-75.00
Jan.	182.80-85.00	177.70-77.75	181.00-79.00
March	185.80-86.25	180.50-80.75	186.50-80.75
May	186.25-86.50	182.20-82.50	186.50-84.00
Aug	187.25-88.50	184.10-84.15	185.00
Oct.	188.25-91.00	185.15-86.15	—

Sales: 8,087 (6,841) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was 342.6 (same) a tonne for home trade and £253.5 (£252.5) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for May 5: Daily price 14.31 (14.79): 15-day average 16.26 (16.52).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. May 476.5, 480.0, 480.0-478.5; July 487.0, 488.0, 490.5-485.0; Oct. 486.0, 487.0, 489.0-486.5; Dec. 490.0, 491.0, 491.5-491.0; March 498.5, 499.0, 499.5-498.0; May 505.0, *506.0, 507.0-506.0; July 512.0, 513.0,* 512.0; Oct. 512.0, 513.0, 513.0-512.0. Sales: 146.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business). New Zealand cents per kilo. May 368 buyer, nil; Aug. 370, 375, nil; Oct. 371, 372, 372; Dec. 375, 377, 377; Jan. 377, 378, 379-378; March 386, 388, 386; May 395, 397, 398-394; Aug. 400, 402, 402-400; Oct. 402, 404, 403. Sales: 34.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 738 tonnes bringing the total for the week so far to 744 tonnes. Reasonably large trading developed, with Central and South American growths predominating. Activity in African styles was maintained.

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HIDES—Leeds: In most cases the market was slightly weaker. Second clears. Ox: 31-35.5 kg. 42.0p a kg (44.4p a kg); 26-30.5 kg. 40.0p a kg (41.0p a kg); 22-25.5 kg. 49.6p a kg (49.5p a kg). Light cows: 25.5 kg. 37.0p a kg withdrawn (39.5p a kg).

POTATOES

LONDON POTATO FUTURES—The market was very quiet, closing at the lows after small trade, reports Coley and Harper. Closing prices: Nov. 59.00, —0.2 (high 59.20, low 59.00); Feb. 67.00, —0.3 (high 67.20, low 67.00); April 74.00, —0.2 (high 74.10, low 73.90). Turnover: 45 (104) lots of 40 tonnes.

PRICE CHANGES

	May 6 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1295/1325	....	$1425/455
Copper			
Cash w'bar	£828.25	+4.75	£838.5
3 mths	£850.75	+5	£859.75
Cash Cathode	£821.5	+5	£851
3 mths	£838.5	+4.75	£847.75
Gold troy oz	$480.5	+4	$509.5
Lead Cash	£327	—1.5	£351.75
3 mths	£334.5	—1	£357.575
Nickel	£3,504.50	....	£3,379.50
Freemkt	390/505c	....	390/505c
Platin'mtr'y oz	£213.5	....	£213.5
Freemkt	£218.90	+2.05	£225.75
Quicksilver†	$420/430	....	$415/420
Silver troy oz	517.60p	+3.0	542.30p
3 mths	532.90p	+2.8	558.30p
Tin Cash	£5,890	+15	£6,290
3 mths	£5,995	+17.5	£6,3425
Tungsten22.04lb	$147.31	....	$149.08
Wolfrm 22.04 lbs	$142/145	....	$147/149
Zinc Cash	£405	+12	£379
3 mths	£412.5	+9.25	£388.75
Producers	$875	....	$825/875
Oils			
Coconut (Phil)	$552.5x	—2.5	$555
Groundnut	‡	....	‡
Linseed Crude	£424v	....	‡
Palm Malayan	$570y	....	$565
Seeds			
Copra Philip	£380u	....	$370
Soyabean(U.S.)	$313.50r	—1.5	$328
Grains			
Barley Fut.Sep	£95.75	....	‡
Maize	£127r	....	£125
WheatFut.Sept	£102.20	—0.1	‡
No2 HardWint	£106z	—0.5	£105.5
Other commodities			
Cocoa ship't	£1,031	+7.0	£1,025
Future July	£930.5	+2.0	£951.5
CoffeeF't July	£1071	+5.5	£1,056.5
Cotton A.Index	87.55c	—0.9	88.90c
Rubber (kilo)	54.50p	—0.25	51.5p
Sugar (Raw)	£171	....	£214
Woolt'ps 64s kl.	550p kilo	....	519p kilo

‡ Unquoted. u May-June. x June. w April-May. v May. y July. † Per 45-lb flask.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 74.0 to 78.0; Ulster hindquarters 91.0 to 94.0, forequarters 56.0 to 59.0; Eire hindquarters 90.0 to 93.0, forequarters 56.0 to 57.0. Veal: Dutch hinds and ends 120.0 to 128.0. Lamb: English small 96.0 to 104.0. *Medium 92.0 to 98.0. Imported frozen:* New Zealand PL 66.0 to 67.0, PM 64.0 to 65.0. Hoggets: English 70.0 to 80.0. Pork: English, under 100 lb 47.0 to 51.5, 100-120 lb 45.0 to 50.0, 120-160 lb *43.5 to 47.5.*

MEAT COMMISSION—Average Fatstock prices at representative markets on May 6. GB—Cattle 92.30p per kg lw (+0.96). UK—Sheep 189.57p per kg est d.c.w. (—1.44). GB—Pigs 74.87p per kg lw (+0.60).

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English produce: Potatoes—Per bag 2.50-3.40. Mushrooms—Per pound *0.50-0.60. Apples—Per pound Bramleys* 0.08-0.15, Lextons 0.08-0.12, Cox's 0.14-0.22. Cauliflowers—Per 12 Kent 4.00-5.00, Lincoln 3.00-3.40. Cabbages—Per bag 3.00, White cabbages 3.50. Beetroots—Per bag 1.80-2.00. Lettuce—Per 12, round 1.40-1.60, Cos 10/12 2.00-2.20. Tomatoes—Per 12-lb D 4.00, E 3.60. Leeks—Per 10-lb 1.80-2.00. Rhubarb—Per pound, outdoor 0.80-0.90. Carrots—Per 28-lb 3.00-4.00. Swedes—Per 28-lb Devon 1.50, Yorkshire 1.20-1.40. Radishes—Per pack of 12 x 8-oz 1.20, *bunches of 15 1.20. Onions—Per* 55-lb 60/80 8.00, salad 20's 1.50.

★

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£5.00, codlings £2.30-£3.00. Large haddock £4.00-£5.00, medium £3.80-£4.70, *small £2.20-£3.50.* Best small plaice £3.60-£4.70. Skinned dogfish (medium) £3.00-£4.50. Lemon soles (large) £9.00, medium £8.50. Rockfish £2.50-£2.80. Rads £1.30-£1.80. Saithe £1.70-£2.00.

AMERICAN MARKETS

NEW YORK, May 6.

The precious metals were mixed with light selling continuing on high interest rates while copper attracted light support on continued labour strife in Chile. Cocoa attracted short-covering while coffee firmed on civil strife in Uganda. The livestock complex was mixed with cattle under pressure from concern over a meat cutters' strike in New York, reported Heinold.

Copper—May 80.00 (79.35), June 81.00 (80.40), July 82.40-82.45, Sept. 85.10, Dec. 89.10, Jan. 90.15, March 92.35-92.40, May 94.75, July 97.00, Sept. *99.25, Dec. 102.60, Jan. 103.70, March* 105.95

Potatoes (round whites)—Nov. 72.5 (72.8), Feb. 79.0 (same), March 84.5-85.5, April 96.8. Sales: 383.

Tin—582.00-589.00 (585.00-587.00).

CHICAGO, May 6.

Lard—Chicago loose 19.50 (same).

Live Cattle—June 68.90-69.00 (69.72), Aug. 67.00-67.10 (67.65), Oct. 65.60-65.70, Dec. 66.70-66.80, Feb. 68.10-68.30, April 69.30, June 70.50.

Live Hogs—June 48.10-47.90 (47.17), July 50.97-51.05 (50.47), Aug. 51.80-51.90, Oct. 51.65-51.50, Dec. 53.55, Feb. 55.75, April 54.50-55.20, June 58.00.

‡‡Maize—May 354½-354¾ (354), July 363½-362 (361¼), Sept. 371½-371¼, Dec. 378-378½, March 389¾-389½, May 396½.

Pork Bellies—May 47.50-47.20 (47.62), July 48.70-48.50 (48.85), Aug. 48.65-48.47, Feb. 66.90-66.65, March 67.15, May 68.50, July 69.85, Aug. 70.00.

†Soyabeans—May 785-785½ (756¼), July 787-788 (780½), Aug. 795-795½, Sept. 799½-801, Nov. 814-813½, Jan. 834, March 856, May 871½.

‖Soyabean Meal — May 222.5-222.6 (221.4), July *227.2-227.8 (226.1), Aug.* 228.5-29.5, Sept. 231.0-230.5, Oct. 232.0, Dec. 237.5-237.0, Jan. 240.0-240.5, March 247.0-247.5, May 250.0-251.0.

Soyabean Oil — May 23.20-23.22 *(23.07),* July 24.00-23.96 (23.86), Aug. 24.45, Sept. 24.85, Oct. 25.25, Dec. 26.00-26.05, Jan. 26.40, March 27.05, May 27.75, July 28.35-28.45.

†Wheat—May 419¾-419½ (422½), July 435¾-435½ (432), Sept. 452¾-452½, Dec. 477¾-478, March 500¾-501, May 509½.

Sugar — No. 11: July 15.20-15.25 (14.81), Sept. 15.50-15.55 (15.30), Oct. 15.60-15.65, Jan. 15.70-15.75, March 16.05, May 16.15-16.20, July 16.25-16.30, Sept. 16.55, Oct. 16.75-16.85.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents *per 60-lb bushel. ‖ $ per short ton* (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Tuesday's closing prices

NEW YORK May 5.

Coffee—"C" Contract: May 126.45-126.55 (126.50), July 126.45-128.55 (126.52), Sept. 126.05-126.25, Dec. 123.15, March 121.40, May 121.25-121.30, July 121.30-121.50, Sept. 121.00. Sales: 983.

Cotton—No. 2: May 81.20-81.95 (82.50), July 83.00-83.10 (83.40), Aug. 83.40-83.70, Oct. 81.60, Dec. 80.30-80.40, March 81.90-81.95, May 82.80-83.25, July 83.70-84.25, Oct. 83.25-83.75 *Sales: 5,500.*

*Gold—May 480.9 (480.7), June 486.0-487.5 (486.5), July 493.9, Aug. 500.0-502.0, Oct. 516.3, Dec. 530.0-533.0, Feb. 546.2, April 561.2, June 576.3, Aug. 591.4, Oct. 606.6, Dec. 622.1, Feb. 637.8. Sales: 37,000.

Orange Juice—May 140.10 (140.35), July 145.50-145.60 (145.70), Sept. 148.00, Nov. 147.90-148.00, Jan. 148.00-148.20, March 148.80-149.00, May 149.75-150.00, July 150.55-150.75, Sept. 151.30-151.50. Sales: 900.

*Platinum—May 458.5 (457.9), June 464.0 (462.6), July 470.5-472.0, Oct. 490.0-491.0, Jan. 510.7, April 530.7. Sales: 1,359.

¶Silver—May 1100.0 (1095.5), June 1108.5 (1109.0), July 1124.0-1129.0, Sept 1159.0-1165.0, Dec. 1212.0-1218.0, Jan. 1230.5, March 1265.0, May 1299.5, July 1334.0, Sept. 1368.5, Dec. 1420.5, Jan. 1438.0, March 1472.5. Handy and *Harman bullion spot: 1088.00 (1089.00).* Sales: 3,600.

CHICAGO, May 5.

Chicago 1mm Gold—June 487.0-486.5 (486.6), July 494.3 (493.7), Sept. 509.0-503.8, Oct. 516.9, Dec. 532.0, Jan. 539.6, March 554.9, April 562.6.

WINNIPEG, May 5.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 258.72 (—).

EUROPEAN MARKETS

ROTTERDAM, May 6.

Wheat—(U.S. $ per tonne): U.S. Two Dark Hard Winter 13.5 per cent May 211.50, June/July 208. U.S. No. Two Red Winter May 193, June 180, July 182. U.S. No. Two Northern Spring 14 per cent May 211, June/July 209, Aug. 211.

Maize—(U.S. $ per tonne): U.S. No. Three Corn Yellow afloat 163, May 161.50, June 163, July 166, Aug. 169, Sept. 169.50, Oct./Dec. 171.50, Jan./March 181.50.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports May 308, June 310.75, July 313.50, Aug. 316, Sept. 319, Oct. 322.50, Nov. 323, Dec. 329.75, Jan. 336, Feb. 342.50, March 346, Argentine June 304.50, July 306.50. Options May 304.50, June 305.50, July 307.50 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent protein U.S. afloat 273 traded, afloat 273, April/May 274, June 275, April/Sept. 278, Nov./March 296. Brazil Pellets afloat April 284, May 282.50, June 287, May/Sept. 290.

PARIS, May 6.

Cocoa—(FFr per 100 kilos): May 1002-1035, July 1070 asked, Sept. 1080-1110, Dec. 1115-1120, March 1135-1145, May 1145-1160. Sales at call: 5.

Sugar—(FFr per tonne): July 2150-2200, Aug. 2168-2169, Oct. 2110-2115, Nov. 2100-2125, Dec. 2110-2120, March 2180-2185, May 2185-2220, July 2190-2230. Sales at call: 4.

INDICES

FINANCIAL TIMES

May 6	May 1	Month ago	Year ago
254.50	258.64	252.52	275.07

(Base: July 1, 1952=100).

MOODY'S

May 5	May 1	Month ago	Year ago
1081.5	1103.5	1124.9	1107.8

(December 31, 1931=100)

DOW JONES

Dow Jones	May 5	May 1	Month ago	Year ago
Spot	389.19	398.25	415.07	426.77
Fut'rs	402.11	412.04	424.01	433.44

(Average 1924-25-26=100).

REUTERS

May 6	May 5	M'nth ago	Year ago
1679.3	1680.4	1699.1	1692.1

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Fall continues after early technical rally in markets further unsettled by last month's banking statistics

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Apr. 10	Apr. 29	Apr. 30	May 11
May 1	May 14	May 15	May 26
May 18	May 28	May 29	June 8

* "New time" dealings may take place from 9 am two business days earlier.

Uncertain London stock markets were further confused yesterday by last month's banking statistics which were distorted owing to the civil service dispute. The two principal investment sectors again closed lower after vain attempts to rally from Tuesday's sharp downturn on rising U.S. interest rates.

Following a steadier opening tendency, Gilt-edged securities were soon subjected to fresh selling which brought falls ranging to ½ ahead of the banking figures. Immediately after their release, another ½ was lost and although demand developed at the lower levels it brought little recovery.

Sentiment was also unsettled by talk of possible new Government funding tomorrow and longer maturities ended with losses extending to ¾, while the shorts gave up ⅜, after ½. The FT Government Securities index measured the movement with a fresh fall of 0.44 to 66.79, nearly 5½ per cent down from its March 20 high for 1981.

Leading equities were cautious at the outset but the absence of furher selling prompted mid-morning bear-covering which took values slightly higher. The completion of this business, however, signalled a fresh decline in trading conditions made more sensitive by profit warnings from P & O and General Accident coupled with revived speculation about the lengthening queue of companies wanting to make rights issues.

Oils were one of the notable exceptions to the dullness, being helped by the overnight resilience of the sector on Wall Street. Early demand enabled British Petroleum and Shell to lead a general advance before interest fizzled out and prices came away from the best. The erratic behaviour of most leading shares was measured by a turnround of 9.5 yesterday in the FT Industrial Ordinary share index; this ranged from a gain of 3.2 at 11 am to a close of 6.3 down on balance at 570.60.

General Accident down

The two recently-issued 25-year Corporation loans had another bad day and the £10-paid Leeds 13¼ per cent 2006 fell 1½ to 6, or a discount of 4 points. Swansea 13¾ per cent was similarly lower at 22½, in £25-paid form.

Demand for Traded options improved and 1,503 contracts were completed, compared with Tuesday's 1,260. P and O attracted 215 trades on the preliminary results, while RTZ remained active and recorded 167 trades. Yesterday's reference to puts was in error, put business in Traded options being scheduled to start on May 28 with three stocks, BP, Lonrho and Racal.

Sentiment in Composite Insurances received a jolt on General Accident's warning, which accompanied the first-quarter statement, that the underlying deterioration in worldwide underwriting experience will continue throughout the rest of the current year; GA fell 10 to 334p, while GRE shed a similar amount in sympathy to 324p and Royal gave up 7 at 373p. A firm market of late on takeover speculation, Commercial Union lost 6 at 170p; the first-quarter figures are due next Tuesday. Eagle Star also lost 6 to 250p as did Phoenix, to 270p. Elsewhere, news that Hambro Life is negotiating for the takeover of Allied Hambro failed to enthuse the former which ended a couple of pence off at 344p.

Apart from Smith St. Aubyn, a few pence better at 204p on the satisfactory preliminary results, Discount Houses eased in sympathy with gilts. In Merchant banks, Minster Assets rose 3 to 88p on renewed speculative support.

Secondary Building issues displayed several bright spots. F. J. C. Lilley firmed 4 to 158p following an investment recommendation, while John Finlan gained 6 to 142p on revived speculative interest. P. C. Henderson improved 5 to 165p, the maintained dividend outweighing the sharply lower preliminary profits, while C. M. Pearce rose ½ to £10 on the annual results. Further demand ahead of tomorrow's half-yearly results lifted Pochins 10 more to 255p, but Bellway closed 4 down at 91p, after 89p, on the interim profits setback. Elsewhere, Barratt Developments shed 9 to 240p on lessened optimism about interest rates.

Stores quiet

Firmer at first on technical influences, ICI touched 314p before drifting off on lack of follow-through support to close 4 cheaper on balance at 308p.

Stores traded quietly and movements among the leaders were usually restricted to a couple of pence either way. UDS gained the turn to 90p awaiting today's preliminary results, but second thoughts on the annual figures clipped 6 from Mothercare at 250p. Secondary issues also displayed a mixed appearance. Renewed demand in a narrow market saw John Menzies up to 460p before a close of 450p, up 10. Peters also returned to favour and rose 6 to 130p. Heal and Son was marked ½ lower at £22½ following the increased full-year loss.

Late selling on talk of an imminent announcement prompted marked weakness in Plessey which closed 11 down on balance at 290p after having touched 305p on technical considerations. Other Electrical leaders finished with modest falls with GEC 6 off at 657p and Racal 3 down at 371p, after 378p.

Bestobell easier

Dull conditions prevailed among the Engineering leaders with Tubes under further pressure and down 10 more at 202p; the group has announced its first major U.S. acquisition — King Fifth Wheel of Pennsylvania for £25.6m. Hawker lost 6 more to 330p and GKN 5 to 173p. Matthew Hall, however, contrasted among secondary issues, rising 7 to 415p, after 418p, on the proposed 100 per cent scrip-issue which accompanied favourable results. Ash and Lacy added 8 at 253p and Brasway 3 at 45p, but Hall declined 7 to 203p and Victor Products (Wallsend), at 167p, lo st8 of the previous day's rise of 20. Jenks and Cattell were marked down to 78p on the reduced interim dividend and first-half deficit but rallied to close unaltered at 81p.

J. Sainsbury claimed the limelight in Foods, jumping to 450p in response to the much better-than-expected preliminary profits and dividend but a subsequent bout of profit-taking left the close unchanged on the day at 425p. Elsewhere, United Biscuits, a penny easier at one stage, picked up to close that much dearer on balance at 117p following the chairman's confident statement on current trading.

Warner Holidays A touched 122p before closing 3 up at 119p on the announcement that Grand Metropolitan's bid for the company is not being referred to the Monopolies Commission; Grand Met eased 3 to 200p.

An early technical rally in the miscellaneous industrial leaders soon petered out and sporadic bouts of selling later left fresh falls extending to 8 by the close. Metal Box lost that much to 204p, after 214p, while Bowater cheapened 5 at 258p and Turner and Newall 3 to 100p. Elsewhere, Bestobell gave up 5 to 453p on the proposed £6.6m rights issue which accompanied the results, while Feedex dipped 4 to 36p on the disappointing annual figures. The Government's opposition to a takeover by a foreign company left ICL 3 down at 47p. Holt Lloyd International eased 2 to 73p on the lower earnings. Hunting Associated cheapened 15 to 385p, but Highgate and Job found support and closed 7 better at 50p.

Oils below best

Helped by Wall Street influences, Oils staged a useful revival, but profit-taking left final quotations well below the best. British Petroleum touched 402p before closing 8 up on balance at 394p, while Shell finished 4 dearer at 390p, after 396p. Standing 10 higher awaiting the first-quarter figures, Tricentrol slipped back to the overnight level of 262p following the announcement, but Ultramar's first-quarter figures were well received and the close was 7 up at 450p, after 463p.

Revived bid hopes lifted Boustead 9 to 178p; Hendon Green has built up a 12.83 per cent stake in the company. Elsewhere in Overseas Traders, E. W. Tarry rose 15 for a two-day gain of 25 to 220p following the increased full-year profits and special dividend payment.

Better-than-expected preliminary profits from P & O were outweighed by the chairman's gloomy remarks on current trading and the shares, up to 162p immediately in front of the announcement, reacted to close 3 lower on balance at 156p.

RTZ active

Rio Tinto-Zinc continued to attract most of the interest in mining markets; the shares moved up to 536p in early dealings on vague rumours of a possible link with another major international mining group but subsequently ran into persistent profit-taking to close only a penny harder on balance at 526p.

South African Golds opened firmer, in line with the bullion price, before drifting back to close around their overnight levels.

In the heavyweights, price movements were generally restricted to ⅜ either way while changes in the medium and lower-priced issues were minimal. Among marginals, East Daggafontein, the subject of recent American buying, moved up 6 to a 1981 high of 148p.

South African Financials were mixed. The gold-orientated stocks were mostly a fraction firmer, as in "Amgold," ½ better at £42½, and "Johnnies," ½ up at £32, but the Coal issues continued to lose ground. Transvaal Consolidated Land dropped a further ½ to £24½ on consideration of the interim results while "Amcoal" dipped a like amount to £15½. Rand London Coal gave up 5 to 107p.

Australians were generally a shade better. The revised terms of the merger of the Gold Fields Australia companied prompted good demand for the latter, up at 350p and Mount Lyell, to the good at a 1981 high 115p.

Paringa touched 65p on the bid terms from Hampton Areas before easing to close a penny up at 63p; the terms were rejected by the Paringa board.

FINANCIAL TIMES STOCK INDICES

	May 6	May 5	May 1	Apr. 30	Apr. 29	Apr. 28	A year ago
Government Secs.	66.79	67.23	68.68	68.90	68.82	68.83	67.84
Fixed Interest	69.51	70.12	70.96	70.95	70.91	70.90	67.53
Industrial Ord.	570.6	576.9	591.9	597.3	579.9	574.5	439.4
Gold Mines	351.7	351.6	356.5	348.7	346.5	353.4	292.8
Ord. Div. Yield	5.77	5.70	5.67	5.51	5.66	5.73	8.05
Earnings, Yld. % (full)	11.36	11.25	11.00	10.88	11.15	11.28	19.81
P/E Ratio (net) (*)	11.02	11.15	11.39	11.50	11.18	11.06	6.19
Total bargains	23,760	26,448	26,422	28,844	25,814	27,733	18,442
Equity turnover £m.	—	163.57	172.06	222.77	164.75	165.69	85.14
Equity bargains	—	21,343	21,936	24,435	21,495	22,305	13,318

10 am 576.9. 11 am 580.1. Noon 575.5. 1 pm 572.3.
2 pm 571.8. 3 pm 571.5.
Latest index 01-246 8026

* Nil = 10.10.

Basis 100 Govt Secs 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	66.79 (6/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	69.51 (6/5)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (28/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	May 5	May 1
—Daily Gilt Edged Bargains	222.9	170.4
Equities Bargains	138.3	148.2
Value	330.6	347.8
5-day Avrge. Gilt Edged Bargains	176.6	164.6
Equities Bargains	144.4	148.4
Value	359.4	362.5

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (67)
BRITISH FUNDS (1)
CANADIANS (1)
BANKS (2)
BUILDINGS (7)
CHEMICALS (1)
DRAPERY & STORES (5)
ELECTRICALS (1)
ENGINEERING (10)
FOODS (1)
HOTELS (1)
INDUSTRIALS (19)
MOTORS (1)
NEWSPAPERS (3)
PAPER (1)
PROPERTY (2)
SHOES (1)
TEXTILES (4)
TRUSTS (1)
OVERSEAS TRADERS (1)
MINES (4)

NEW LOWS (53)
BRITISH FUNDS (31)
CORPORATION LOANS (5)
LOANS (2)
FOREIGN BONDS (1)
CANADIANS (2)
BUILDINGS (3)
CHEMICALS (1)
INDUSTRIALS (1)
OIL & GAS (4)
MINES (3)

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	2	78	17
Corpns., Dom. and Foreign Bonds	—	29	38
Industrials	192	451	725
Financial & Props.	40	184	272
Oils	37	23	23
Plantations	2	6	15
Mines	47	51	68
Others	26	90	58
Totals	346	912	1,216

LEADERS AND LAGGARDS

Percentage changes since December 31, 1980, based on Tuesday, May 5, 1981.

Contracting, Construction	+48.39	Food Retailing	+17.47
Textiles	+36.78	Shipping and Transport	+17.25
Packaging and Paper	+36.44	Stores	+16.37
Hire Purchase	+34.79	Health and Household Products	+15.75
Building Materials	+34.05	Insurance (Composite)	+14.08
Other Industrial Materials	+31.35	500-Share Index	+12.82
Other Consumer	+29.99	Property	+12.56
Mechanical Engineering	+29.22	Insurance (Life)	+11.95
Metals and Metal Forming	+28.85	All-Share Index	+11.95
Tobaccos	+27.48	Overseas Traders	+11.92
Leisure	+26.30	Mining Finance	+11.29
Food Manufacturing	+23.84	Electricals	+11.12
Capital Goods	+23.50	Investment Trusts	+10.68
Engineering Contractors	+23.28	Other Groups	+10.42
Newspapers, Publishing	+21.45	Financial Group	+ 9.97
Consumer Group	+20.93	Merchant Banks	+ 8.03
Motors	+20.38	Discount Houses	+ 4.85
Industrial Group	+20.34	Chemicals	+ 3.57
Office Equipment	+19.13	Banks	+ 2.28
Insurance Brokers	+19.08	Oils	−12.80
Brewers and Distillers	+18.73	Gold Mines Index	−13.72

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Wed., May 6, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues. May 5 Index No.	Fri. May 1 Index No.	Thurs. April 30 Index No.	Wed. April 29 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)	351.46	−1.0	10.95	4.50	11.31	354.96	362.16	364.57	358.79	239.66
2	Building Materials (25)	327.58	−0.7	13.70	5.41	8.79	329.97	334.34	332.11	325.29	237.03
3	Contracting, Construction (28)	596.90	−0.5	15.34	4.54	7.88	600.15	608.12	610.27	589.43	353.63
4	Electricals (28)	1051.60	−1.2	8.28	2.53	15.01	1063.84	1080.20	1101.89	1087.95	627.89
5	Engineering Contractors (11)	493.35	+0.7	12.81	5.25	9.56	490.83	506.22	512.20	504.20	282.50
6	Mechanical Engineering (70)	219.77	−0.9	12.89	5.57	9.73	221.67	228.06	229.06	226.29	159.68
8	Metals and Metal Forming (13)	174.12	−1.6	9.06	7.02	14.41	176.96	182.17	181.34	177.27	165.85
9	Motors (21)	109.32	−1.5	7.80	7.00	19.83	110.98	112.76	111.21	109.66	104.22
10	Other Industrial Materials (18)	372.80	−1.2	11.10	5.52	10.83	377.52	388.57	387.79	383.32	0.00
21	CONSUMER GROUP (195)	286.54	−0.5	12.70	5.51	9.62	287.99	294.41	294.75	287.17	219.38
22	Brewers and Distillers (20)	309.13	−1.1	15.01	5.92	7.91	312.50	322.09	320.86	314.18	281.70
25	Food Manufacturing (21)	259.92	−0.6	14.70	6.07	8.21	261.41	269.21	268.80	261.29	193.06
26	Food Retailing (14)	548.56	+0.4	8.28	2.96	14.29	546.62	556.21	548.36	533.15	303.44
27	Health and Household Products (7)	305.12	−0.2	8.85	4.70	13.43	305.65	313.43	315.47	305.45	188.39
29	Leisure (22)	437.92	−0.7	11.72	5.14	10.33	440.88	448.77	444.48	439.57	296.75
32	Newspapers, Publishing (12)	518.73	+0.5	16.22	5.43	8.08	516.08	520.13	513.75	514.77	406.84
33	Packaging and Paper (14)	153.52	−1.8	17.39	7.52	6.75	156.31	161.79	161.26	155.35	131.52
34	Stores (44)	286.52	−0.3	10.28	4.41	12.71	287.40	292.70	294.86	287.79	214.66
35	Textiles (22)	167.36	−1.9	12.04	7.51	11.39	170.54	171.73	172.84	168.09	124.67
36	Tobaccos (3)	255.37	+0.4	20.63	9.72	5.65	254.47	257.44	265.71	250.72	211.50
39	Other Consumer (16)	308.02	−0.5	12.12	6.25	10.71	309.57	311.40	310.10	309.83	0.00
41	OTHER GROUPS (79)	242.01	−0.7	12.73	6.21	9.66	243.75	248.42	249.19	243.66	204.08
42	Chemicals (15)	304.31	−1.1	10.59	6.78	11.97	307.74	316.46	320.04	307.53	304.42
44	Office Equipment (6)	120.59	−0.3	15.29	6.94	7.71	120.94	123.40	124.11	123.63	111.70
45	Shipping and Transport (13)	625.75	−0.7	13.64	5.95	8.76	630.24	637.13	642.85	631.61	515.40
46	Miscellaneous (45)	304.25	−0.3	14.22	5.44	8.62	305.32	308.77	305.91	303.24	245.59
49	INDUSTRIAL GROUP (488)	302.84	−0.7	12.05	5.22	10.19	305.00	311.45	312.53	305.79	227.67
51	Oils (12)	822.75	+1.6	21.67	6.84	5.11	809.64	818.17	796.06	782.63	727.73
59	500 SHARE INDEX	344.40	−0.3	13.79	5.51	8.64	345.42	352.08	351.43	344.11	267.32
61	FINANCIAL GROUP (118)	256.22	−0.8	—	5.53	—	258.16	262.50	261.62	258.06	202.92
62	Banks (6)	253.89	+0.6	36.44	7.13	3.20	252.48	258.46	256.82	255.94	214.13
63	Discount Houses (10)	301.46	−0.9	—	6.62	—	304.30	304.47	308.70	306.03	247.61
64	Hire Purchase (4)	265.94	—	8.46	4.67	16.35	265.94	265.03	266.07	261.78	211.27
65	Insurance (Life) (10)	255.22	−1.2	—	5.86	—	258.43	264.48	267.91	265.82	182.10
66	Insurance (Composite) (9)	163.92	−2.4	—	7.49	—	167.99	171.33	171.86	165.31	131.57
67	Insurance Brokers (8)	377.04	−0.9	11.75	6.11	11.51	380.53	387.57	384.13	371.66	296.55
68	Merchant Banks (13)	159.92	−0.1	—	5.00	—	160.11	160.14	159.38	159.03	105.87
69	Property (48)	497.74	−0.6	3.12	2.60	44.19	500.94	507.50	502.08	498.42	402.66
70	Miscellaneous (10)	170.68	—	18.54	6.06	6.55	170.72	171.89	169.66	169.20	129.61
71	Investment Trusts (109)	310.07	−0.6	—	4.98	—	311.98	316.13	314.98	312.52	216.63
81	Mining Finance (3)	253.94	+0.1	13.50	5.28	8.68	253.69	256.70	261.78	255.13	177.80
91	Overseas Traders (20)	476.38	−0.6	11.30	6.12	10.85	479.47	483.95	481.29	476.99	378.50
99	ALL-SHARE INDEX (750)	325.59	−0.4	—	5.49	—	326.88	332.77	332.18	326.02	251.35

FIXED INTEREST

	PRICE INDICES	Wed. May 6	Day's change %	Tues. May 5	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	107.00	−0.12	107.54	0.41	4.17
2	5-15 years	107.48	−0.63	108.30	0.14	4.00
3	Over 15 years	110.17	−0.72	111.26	0.28	4.93
4	Irredeemables	119.53	−0.67	120.34	—	6.23
5	All stocks	107.89	−0.50	108.70	0.27	4.34
6	Debentures & Loans	86.33	−0.77	87.01	—	3.76
7	Preference	67.34	+0.04	67.31	—	2.88

	AVERAGE GROSS REDEMPTION YIELDS		Wed. May 6	Tues. May 5	Year ago (approx.)
	British Government				
1	Low	5 years	12.13	12.03	12.24
2	Coupons	15 years	12.71	12.57	12.15
3		25 years	12.82	12.69	12.15
4	Medium	5 years	14.00	13.89	13.99
5	Coupons	15 years	14.41	14.28	13.81
6		25 years	14.00	13.92	13.64
7	High	5 years	14.00	13.88	14.11
8	Coupons	15 years	14.58	14.46	14.11
9		25 years	14.21	14.09	14.11
10	Irredeemables †		12.21	12.13	11.32
11	Debs & Loans	5 years	14.69	14.55	14.70
12		15 years	14.81	14.67	14.62
13		25 years	14.81	14.67	14.53
14	Preference †		14.67	14.67	15.78

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Boustead	178	+ 9	Reed Int.	257	− 3
Bowater	258	− 5	RTZ	526	+ 1
BP	394	+ 8	Sainsbury (J.)	425	—
Comm. Union	170	− 6	Thorn EMI	395	—
P. & O. Defd.	156	− 3	Tube Invs.	202	−10
Plessey	290	−11	Ultramar	450	+ 7

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tues. closing price pence	Day's change	Stock	No. of price changes	Tues. closing price pence	Day's change
Reed Intl.	15	270	−12	Shell Trans.	12	386	− 4
Barclays Bank	14	415	−11	BTR	11	470	−16
Bowater	12	263	− 9	Brit. Aerospace	11	217	−11
GEC	12	663	− 7	ICI	11	312	−10
LASMO	12	583	+ 5	Distillers	10	221	− 7
Pearson (S.)	12	235	+ 7	Euro. Ferries	10	162½	− 5
RTZ	12	525	− 5	Tube Inv.	10	212	−10

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 11	May 22	Aug. 6	Aug. 17
May 26	June 5	Aug. 26	Sept. 7
June 8	June 19	Sept. 10	Sept. 21

For rate indications see end of Share Information Service

Money was given for the call in Debenhams, Electronic Rentals, Wimpey, Town and City Properties, Tricentrol, French Keir, Vickers, Muirhead, Hoskins and Horton, Howard Machinery, Gordon and Gotch, Premier Oil, Britannia Arrow, Intervision, Stewart Nairn, Canadian Pacific Minerals, Charterhall, De Beers Deferred and Fitch Lovell. Puts were done in Wimpey, ICI and Alpine Holdings, while a double was taken out in UKO International.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 192.1 922xd −4.4 14.64
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 263

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd.

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Buckmaster Management Co. Ltd.

Canada Life Unit Trst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd.

Crescent Unit Tst. Mngrs. Ltd.

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd.

Robert Fraser Trust Mgt. Ltd.

Friends' Provdt. Trust Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd.

Key Fund Managers Ltd.

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Trust) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group

Pearl Trust Managers Ltd.

Pelican Units Admin. Ltd.

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd.

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd.

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management

Rowan Unit Trust Mngt. Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd.

Sun Alliance Fund Mangmt. Ltd.

Target Tst. Mngrs. Ltd.

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd.

TSB Unit Trusts

Ulster Bank

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assurance Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Amicable Investments

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

B.I.A. Bond Investments AG

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
40	32	Acmex 50c	40	......	Q2.5c	—	3.3
23	14	ACM 20c	17	+1	—	—	—
21	14	Argosy Gold NL 25c	17	−1½	—	—	—
212	137	Bond Corp.	181	−1	Q7½c	1.9	2.1
102	76	Bougainville I Kina.	93	+1	Q26.2c	1.8	14.6
302	214	CRA 50c	244	+2	Q19c	1.7	4.0
25	17½	Canada Northwest	18	......	—	—	—
35	17	Carr Boyd 20c	18	......	—	—	—

Tins

Copper

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
175	142	Anglo-Dominion	170	......	—	—	—
55	40	Barymin	43	−1	—	—	—
24	14	Burma Mines 10p	19	......	0.75	0.9	5.6
315	180	Colby Res. Corp.	220	−20	—	—	—
270	200	Cons. Murch. 10c.	270	......	t030c	1.8	6.4
98	75	††Hemerdon 10c.	85	......	—	—	—
180	135	Highwood Res.	145	−5	—	—	—
400	300	Northgate C$1	350	......	—	—	—
580	372	R.T.Z.	526	+1	16.0	3.2	4.4
£125	£93½	Do.9⅛%Cv.Un.Ln.'95-2000	£123	+3	Q9½%	—	f8.1
143	112	††SPO Minerals 10p	112	−3	—	—	—
47	33	Sabina Inds. C$1.	34	−3	—	—	—
39	28	††SWCM 10p	39	+2	—	—	—
550	465	Tara Exptn. $1	525	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡† Dealt in under Rule 163(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ✤ Not comparable.
- ♣ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✭ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ✭✭ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital;cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xk ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	43	−1
Bertam	14	......
Bdg'wtr. Est. 50p	475	−25
Craig & Rose £1	£11¼	......
File Forge	61	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	£20	......
Higsons Brew.	70	......
Holt (Jos) 25p	450	......
I.O.M. Stm. £1	157	......
Pearce (C. H.)	£10	+½
Peel Hldgs.	100	......
Sheff. Refrshmt	102	......
Sindall (Wm.)	175	......

IRISH	Price	+ or −
Conv. 9% '80/82	£93⅝	......
Nat. 9¾% 84/89	£75⅛	......
Fin. 13% 97/02	£80¼	......
Alliance Gas	79	......
Arnott	255	......
Carroll (P.J.)	87	......
Concrete Prods.	95	......
Heiton (Hldgs.)	28	+1
Ins. Corp.	395	......
Irish Ropes	53	......
Jacob	50	+2
T.M.G.	27	+4
Unidare	100	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	House of Fraser	14	Utd. Drapery	6½
BOC Intl.	11	I.C.I.	20	Vickers	15
B.S.R.	4½	"Imps"	7	Woolworths	5
Babcock	11	I.C.L.	6	**Property**	
Barclays Bank	36	Ladbroke	30	Brit. Land	8
Beecham	15	Legal & Gen.	20	Cap. Counties	11
Blue Circle	35	Lex Service	10	Land Secs.	37
Boots	20	Lloyds Bank	28	MEPC	20
Bowaters	24	"Lots"	4½	Peachey	15
Brit. Aerospace	14	London Brick	7	Samuel Props.	13
B.A.T.	25	Lucas Inds.	18	Town & City	2¼
Brown (J.)	7	"Mams"	20	**Oils**	
Burton Ord.	12	Mrks. & Spncr	9	Brit. Petroleum	36
Cadburys	7½	Midland Bank	26	Burmah Oil	16
Courtaulds	6	N.E.I.	7	Charterhall	9
Debenhams	8	Nat. West. Bank	32	KCA	22
Distillers	17	P & O Dfd.	13	Premier	10
Dunlop	7½	Plessey	30	Shell	34
Eagle Star	22	Racal Elect.	34	Tricentrol	30
F.N.F.C.	3½	R.H.M.	5	Ultramar	44
Gen. Accident	30	Rank Org. Ord.	18	**Mines**	
Gen. Electric	60	Reed Intnl.	20	Charter Cons.	22
Glaxo	28	Sears	5	Cons. Gold	45
Grand Met.	14	Tesco	5½	Lonrho	9
G.U.S. 'A'	44	Thorn EMI	30	Rio T. Zinc	45
Guardian	32	Trust Houses	18		
G.K.N.	16	Tube Invest.	18		
Hawker Sidd	25	Turner & Newall	10		
		Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Thursday May 7 1981

£230m cut in Telecom investment programme

By Jason Crisp

BRITISH TELECOM has cut its £2.2bn capital investment programme for this year by about £230m because of government limits on borrowing and lower revenues caused by the recession.

Nonetheless, with an investment programme of just below £2bn, British Telecom will still need to borrow £500m in 1981/82. The Government has set its external financing limit at £180m.

Mr. Peter Benton, Telecom's managing director, warned yesterday that after the latest cut in investment British Telecom would be sailing very close to the wind. Any further cuts, he said, could result in a return of the major problems of supply of equipment and services which have affected customers for the past three years.

Mr. Benton was speaking at a press conference to announce a number of improvements in the service which had become alarmingly bad early last year particularly in London and the City.

British Telecom originally sought to brorow £650m this financial year to help finance its projected £2.2bn in capital investment programmes, particularly to modernise the network.

British Telecom expected the deflationary effect of the Budget to reduce its revenue by £80m. As a result it revised its borrowing needs for the year upwards to £730m.

The latest cut in investment means British Telecom wants to borrow about £500m, which is £320m more than the Government's limit. This is broadly in line with sums it had been seeking to raise earlier in the year through telecommunication bonds and other means.

And at the end of March it had become clear the Government was prepared to allow Telecom to increase its borrowings by about £300m. However no announcement has been made since then and Telecom is still fighting for its finance.

Mr. Benton warned that the cut in investment would affect the telecommunication equipment manufacturers' cash flow although it is not clear where the £200m cuts will be made.

Mr. Benton announced that the waiting time for a number of services had been cut in the past year. Waiting time for a basic telephone service is one to two weeks in the City, he said, although longer elsewhere. Nationally telex delays are reduced from eight to four months although in London it is eight months compared with 14 months a year ago. In the City it takes five months.

Another 600 troops sent to Northern Ireland

BY WALTER ELLIS AND STEWART DALBY IN BELFAST

THE GOVERNMENT has ordered a further 600 troops to be sent to Northern Ireland immediately to help cope with a feared upsurge of violence following today's funeral in Belfast of IRA hunger striker Mr. Bobby Sands.

The troops, from the Royal Regiment of Wales, make up a spearhead batallion kept in England in permanent reserve for service in Ulster. They bring the number of troops now stationed here to 11,700.

The increase is understood to be a matter of regret for Mr. Humphrey Atkins, the Northern Ireland Secretary, who has stressed throughout his two years in office the desirability of handing responsibility for security back to the police. But today's funeral could result in more rioting in Belfast and Londonderry as the Provisionals relax the tight reins they have kept on their supporters since the death of Mr. Sands on Tuesday.

Violence continued at a sporadic level yesterday. One soldier was shot and wounded by a sniper in west Belfast and a second was hurt when a nail bomb was thrown at him in Londonderry.

In Londonderry barricades were erected in Riman Catholic parts of the city and passes were issued to owners of vehicles by members of the H-Blocks Committee. Loyalists in the city have said that the Provisionals are seeking to re-establish no-go areas, but this has been denied.

The number of arrests since Mr. Sands' death had risen to 48 last night.

This afternoon's military-style funeral should be the biggest demonstration of nationalist feeling in Ulster for some years. Republican supporters and mourners arrived in Belfast in lange numbers throughout yesterday, and many more are expected today. They will march behind the coffin, draped with the Irish tricolour, to Milltown Cemetary, at the top of the Falls Road, where Mr. Sands will be buried in consecrated ground — technically denied by the Catholic Church to suicides — in the Republican plot beside scores of other IRA men.

The National H-Blocks Committee, which is co-ordinating the hunger strike in the Maze prison, has urged restraint during the continuing fast by three other Republicans, all of whom are now seriously ill. But the Provisionals might wish to allow a release of tension in Catholic areas while, at the same time, demonstrating the depth of their support.

Meanwhile, the IRA appears to have launched an intimidation campaign in the Irish Republic's border areas in an attempt to win backing for today's day of mourning in memory of Mr. Sands. Details of threats issued to businesses and employees have been handed to Mr. Gerry Collins, the Irish Justice Minister, by Dr. Garrett Fitzgerald, Leader of the Opposition.

The Rev. Ian Paisley, the loyalist leader, is to conduct a memorial service in Belfast at the same time as the funeral for the victims of IRA terrorism.

A potentially significant controversy arose yesterday following an American TV interview given by Mr. Humphrey Atkins, the Northern Ireland Secretary. He said that for 60 years Britain and the bulk of Ireland had been separate. "I think we can reverse that. I think that all of us—we live in a small group of islands on the edge of Europe —I believe that we can come together and solve our problems and find a way forward without killing each other."

The Northern Ireland Office stressed that Mr. Atkins had ben talking strictly in terms of the recent Anglo-Irish talks in Dublin and of the move to secure better relations between North and South. There was no question of Irish unity being achieved without the consent of the majority of the people of Northern Ireland.

In the Commons, 12 MPs, all but one Labour, signed a motion expressing "deep regret" at the death of Mr. Sands and accusing the Government of intransigence over the demands of Mr. Sands.

David Buchan writes from Washington: The largest U.S. dockers union is due to boycott British ships and cargo in U.S. ports today as a demonstration against British policy towards hunger strikers in Northern Ireland.

Ulster council elections, Page 8

Cures for unemployment sought

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

LEADERS of both sides of industry are to join the Government in considering new methods of tackling Britain's long-term unemployment problems.

They were warned yesterday by the Manpower Services Commission that serious job shortages will continue in some areas after the expected economic recovery.

The Commission also estimated that a total of 3m people were without normal full-time work at the beginning of this year, and added that future unemployment problems "could not be easily remedied by conventional labour market policies."

Addressing a meeting of the National Economic Development Council, Sir Richard O'Brien, the Commission's chairman, also warned that a 25 per cent drop in apprenticeships this year would exacerbate potentially serious shortages of skilled workers when manufacturing industry demand picked up.

Presented with these facts and forecasts, Government Ministers joined with leaders of the TUC, CBI and other organisations in facing up to the prospects of long-term unemployment problems.

Special attention was paid to the need for improved training of skilled workers and to problems of youth unemployment. Mr. James Prior, the Employment Secretary, repeated a pledge he made in the Commons last November that the Government wanted to see every unemployed 16 and 17 year-old fully occupied in some form of further education, youth opportunities programme, or vocational training. This should be started as soon as it could be afforded.

Further studies are to be made of extensive early retirement, although the Employment Department estimates that a general reduction of retiring age from 65 to 60 could cost the Government £1.5bn a year.

The possibility of introducing non-military national service for youngsters, possibly on a compulsory basis, was mooted by Mr. Michael Shanks, chairman of the National Consumer Council.

The CBI is interested in this idea. But Government Ministers at yesterday's meeting accepted the TUC's view that it could undermine work done by voluntary organisations and could cause a "strong reaction" from trade unions. A residential scheme would also be very costly.

The Commission's 3m figure for people out of work was computed by adding an estimated 300,000-350,000 unregistered unemployed people and about 340,000 people catered for by special job-creation measures to the official registered unemployment figure of 2.32m. These figures were not disputed by Sir Geoffrey Howe, Chancellor of the Exchequer, who was chairman of the meeting.

Regional aid worries, Page 7,
Lombard, Page 16

Attacks on Schmidt aid Begin's poll chances

By David Lennon in Tel Aviv

MR. MENAHEM BEGIN, the Israeli Prime Minister, yesterday stepped up his sharp personal attacks on Herr Helmut Schmidt, the West German Chancellor. This followed an opinion poll which placed his ruling Liberal bloc level with the opposition Labour Party in the fight to win next month's general election—a dramatic improvement in his chances.

In remarks prepared for broadcast on national radio yesterday and due for delivery during today's celebration of Israel's Independence Day, Mr. Begin said: "While I do not know whether Herr Schmidt had been a member of the Nazi Party, he has never broken his oath of allegiance to Hitler." This is Mr. Begin's third attack since the weekend on the West German leader's war record following suggestions by Herr Schmidt that Palestinian rights in Israel should be recognised.

Mr. Begin described the Chancellor as "a good officer in Hitler's army. I do not know what he did. I only know he was in that army which got orders to surround the town and maintain the peace while the German extermination squads carried out their mission."

The strained relations between Israel and Germany seem likely to be further damaged by the outburst. Mr. Begin, who led violent anti-German protests when Bonn opened its embassy in Israel in the early 1960s, is totally unconcerned by West German objections to his attacks. "I won't lose even one second of sleep because of those German remarks," he said.

Herr Schmidt did not react personally to the earlier attacks but Bonn spokesmen have called them "misleading and insulting."

Mr. Begin's remarks appear to have won approval among Israelis, who share his belief that West Germany is both pandering to Arab oil producers and that Germans have a moral obligation towards the Jewish people because of the Nazi extermination of European Jewry during the Second World War.

According to yesterday's opinion poll, Mr. Begin's chances of serving another four years as Prime Minister have increased sharply. The General Election will be held on June 30.

Begin missile warning, Page 4

THE LEX COLUMN

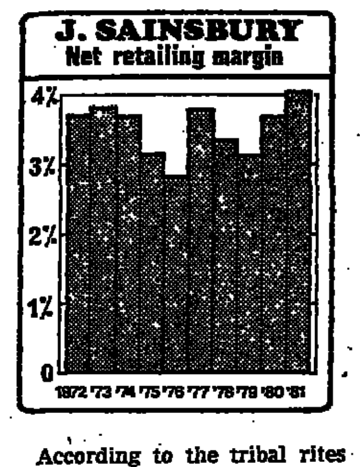
Competitive edge at Sainsbury

Index fell 6.3 to 570.6

The Sainsbury formula is still working with brilliant success. Inevitably the second half growth rate slowed a little, given that the same period of the previous year had been so buoyant, but sales growth in October-March was still as good as 28 per cent. For 1980-81 as a whole, sales are up 30 per cent and thanks to an exceptionally high net margin of just over 4 per cent pre-tax profits (after staff profit sharing) have climbed by 42 per cent to £62.1m. The dividend is up by a similar proportion, though this only serves to bring the yield at 425p up to 2.5 per cent.

Probably the most impressive statistic is that Sainsbury has achieved 11 per cent volume growth in its established stores. That is a tribute to its competitive strength in a period when there has been more than a suspicion of gross margin rises elsewhere. An increase of 7.7 per cent in selling space (and it could be over 9 per cent in 1981-82) has combined with this underlying growth to produce throughput gains which have boosted productivity and led to the high net margin. And because supermarket growth up to a certain point is self-financing, thanks to supplier credit, Sainsbury's cash position is actually stronger than a year ago.

The recent pace, however, looks too hot to sustain. Looking at Sainsbury's recent history, two quiet years in which it was adjusting to Tesco's cut price onslaught in 1977 have been followed by two years of super-growth in which both sales and margins have been rising fast. A return to a gentler pace now seems likely, with margins unlikely to go much higher so that profits growth will be more in line with sales—perhaps in the region of 18 per cent. In this context the shares look rather expensive on a fully taxed p/e of well over 20



According to the tribal rites of the gilt-edged market, there is little point in buying on days such as yesterday, since the authorities are always kind enough to signal the bottom by beating a large drum and cutting the prices of all available tap stocks. At the moment there is no long tap, and the Government Broker did not seem in a hurry yesterday to accept bids at £3 discount to issue price for the 11½ per cent 1985 stock. But it is clear that a significant section of market opinion is expecting a new long tap, on unrepeatable terms, tomorrow.

The G.B. will want to avoid issuing a stock which might be left stranded by a further fall in prices, which is always possible while U.S. bonds are so volatile. There may in any case be no pressing need to fund just yet, so long as National Savings are selling well. The alternative would be to refuse to supply stock and try to squeeze the bears: that would be out of line with tribal customs, but there is a new medicine man in the GB's chair.

Gilt-edged

The publication of a more or less respectable set of banking figures yesterday had little positive impact on a gilt-edged market which remains deeply apprehensive both about U.S. interest rates and about the intentions of the Government Broker. Stripping out the effects of the Civil Service dispute, which like all known British monetary distortions inflates the money supply, sterling M3 seems to have grown by between ½ and 1 per cent in banking April. Corporate treasurers seem to be keeping their cash from unpaid tax on deposit rather than using it to reduce overdrafts (and thereby the money supply).

P & O

In spite of the slight decline at the halfway stage, the full year pre-tax out turn at P & O is £8.4m higher at £47.1m. While there has been a turnround of more than £10m into loss in ferries over the year, the upturn in shipping rates has now come through — particularly in bulk shipping where the second half contribution has risen by 40 per cent. Cruises performed strongly in the same period, as did the energy division, where operating profits have risen from £2.2m to £9.4m. The dividend has been raised to match exactly the level of current cost attributable earnings, although surely this is a coincidence since the Board believes current cost figu[res] be of "doubtful value."

The prospect of a leap based on falling in[terest] rates has receded and relief in this direction thi[s] is unlikely to make up decline maybe of about £1 the U.S. energy contri[bution]. Meanwhile, shipping rat[es] now looking less health[y] the shares shed 3p yester[day to] 156p, where the yield is [...] cent.

While the company now stable financially, there remains a long haul bef[ore it] can stop shrinking, [...] expenditure is now runn[ing] well below half curren[t] depreciation. The imm[ediate] strategy is to reduce the [ship]ping involvement still fu[rther] turning over more trad[e to] OCL. But unless there is [under]lying profits growth fro[m one] of the divisions — with th[e] energy business the main [candi]date for this role — som[e] decisions may have to be [taken] in the mid-1980s.

General Accident

General Accident's [first] quarter profits are up £12m to £18.5m pre-tax—b[ut the] rest of the year will n[ot be] much fun. The underw[riting] loss is rather smaller tha[n last] year's exceptionally poor [...] yet the underlying tre[nd is] deteriorating fast.

The first quarter im[prove]ment is built around a improved underwriting [result] in the UK, where weather conditions contri[buted] to an improvement of [...] £4m in the motor accoun[t...] the worrying feature is th[at] premium income has rise[n] little more than 1 per cent [com]pared with a 16 per cent during 1980.

The group seems to hav[e lost] a little market share afte[r the] motor rate increase last A[...] and so deferred a minor adjustment originally pl[anned] for this February. And th[e im]pact of the recession o[n] commercial classes is lead[ing to] much sharper competi[tion in] personal lines generally.

Meanwhile, underwriti[ng in] North America is still g[etting] tougher. The U.S. ope[rating] ratio is over 3 points to th[...] at 106.3 per cent, and C[anada] has been little short [of] disaster with losses cli[mbing] towards 30 per cen[t of] premiums.

North American r[esults] should start to recover [in] the next couple of years. [...] pre-tax level. General Ac[cident] may show little if any g[rowth] this year, but its dividen[d earn]ing power still compares [well] with most quoted compani[es].

Weather

UK TODAY

CLOUDY in all parts with rain over the North, but sunny intervals in S. England.

London, E. Anglia, the Midlands, Channel Isles, N. Wales, N. England
Rather cloudy and mostly dry with some sunny intervals.

S., S.W. England, S. Wales
Rather cloudy and dull near coasts with a few sunny intervals inland. Max. 15C (59F).

Borders, S. Scotland
Occasional early rain becoming brighter. Max. 14C (57F).

The Highlands, N.W. Scotland, Ulster
Rather cloudy with occasional rain. Wind mainly light. Max. 14C (57F).

Outlook: Showers or longer outbreaks of rain with thunder and some sunshine.

WORLDWIDE

	Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	S	17	63	L. Ang.†	F	13	55
Algiers	S	21	70	Luxmbg.	R	11	52
Amsdm.	C	14	57	Luxor	S	37	99
Athens	F	19	66	Madrid	S	24	75
Bahrain		—	—	Majorca	S	21	70
Barcina.	F	18	64	Malaga	S	24	75
Beirut	S	25	77	Malta	S	21	70
Belfast	C	13	55	M'chstr	C	13	55
Belgrd.	C	11	52	Melbne.	F	15	59
Berlin	F	12	54	Mex. C.†		—	—
Biarritz	S	19	66	Miami†	S	23	73
Bmghm.	C	15	59	Milan	S	20	68
Blackpl.	S	12	54	Montrl.†	R	11	52
Bordx.	F	15	59	Moscow	C	22	72
Boulgn.	C	10	50	Munich	R	9	48
Bristol	F	14	57	Nairobi		—	—
Brussels	C	14	57	Naples	S	18	64
Budpst.	F	12	54	Nassau		—	—
Cairo		—	—	Nwcstl.	F	12	54
Cardiff	C	11	52	N York†	C	11	52
Cas'b'ca	S	20	68	Nice	S	18	64
Cape T.	S	21	70	Nicosia	S	21	70
Chicg.†	F	3	37	Oporto	S	27	81
Cologne	R	7	45	Oslo	F	9	48
Cpnhgn.	S	12	54	Paris	C	16	61
Corfu	S	19	66	Perth	S	21	70
Denver†	F	11	52	Prague	F	13	55
Dublin	C	12	54	Rykjvk.	F	4	39
Dbrvnk.	S	16	61	Rhodes	F	20	68
Ednbgh.	C	11	52	Rio J'o†		—	—
Faro	F	21	70	Rome	S	19	66
Florence	S	20	68	Salzbrg.	C	11	52
Frankft.	R	8	46	S'cisco†	F	8	46
Funchal	F	17	63	S. Moritz		—	—
Geneva	S	15	59	Singapore		—	—
Gibrltr.	F	21	70	Santiago†		—	—
Gl'sg'w	F	11	52	Stckhm.	S	13	55
G'rnsey	S	12	54	Strasbg.	C	14	57
Helsinki	R	8	46	Sydney	F	13	55
H. Kong	F	25	77	Tangier	F	25	77
Innsbrk.	C	8	46	Tel Aviv	S	28	82
Invrnss.	F	11	52	Tenerife	C	21	70
I.o.Man	C	11	52	Tokyo	C	20	68
Istanbul	F	15	59	T'r'nto†	C	4	39
Jersey	F	15	59	Tunis	S	22	72
Jo'burg	C	17	63	Valencia	S	20	68
L. Pims.	C	20	68	Venice	S	16	61
Lisbon	F	23	73	Vienna	C	12	54
Locarno	S	19	66	Warsaw	R	9	48
London	R	14	57	Zurich	C	10	50

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Continued from Page 1

Sainsbury

It puts its share at 7.2 per cent, slightly behind Tesco.

The latest AGB market-share figures for the grocery market alone give Tesco 13.7 per cent and Sainsbury 13 per cent. These figures fluctuate from month to month, and both companies have been running neck-and-neck.

Sainsbury says it is still on target to reach 50 store openings in the three years to March 1983, and in its expansion northwards it means to have at least 25 supermarkets north of the Midlands by 1985.

The company is making no predictions yet about next years trading performance.

A measure of its performance will be shown later in the summer, when both Tesco and Asda are due to announce preliminary results. The City yesterday had already discounted the Sainsbury figures, and its share price remained unchanged at the close of trading at 425p.

Sir Donald Barron heads Midland

SIR DONALD BARRON, former chairman of Rowntree Mackintosh, will replace Sir David Barran as chairman of Midland Bank in a year's time.

Sir David, who is 69, became Midland's chairman last July following the suddent death of his predecessor, Lord Armstrong. The announcement of his retirement, made at yesterday's annual meeting, was not entirely unexpected.

He had always been seen as a caretaker chairman and yesterday cited his age as the main reason for stepping down. The appointment of Sir Donald came as a slight surprise, however, as some City observers had expected Sir Alex Jarratt, chairman and chief executive of Reed International, to take over. Sir Alex was appointed a deputy chairman of the bank last September.

Sir David said that the availability of potential candidates had played a part in the appointment. Sir Donald retired from Rowntree Mackintosh in March and has few other commitments. He has been a director of Midland since 1972 and was appointed vice-chairman earlier this year.

Sir Donald, aged 60, is likely to remain chairman for at least five years. He is expected to pursue the bank's policy of diversifying abroad in an effort to reduce its heavy dependence on the British corporate sector.

His appointment continues the Midland tradition of selecting chairmen whose principal experience lies outside banking. Sir David Barran is a former chairman of Shell Transport and Trading.

The change in the chairmanship, which will take effect after next year's annual meeting, coincides with a general reshuffle of senior management at Midland.

Men and Matters, Page 18

Overtime ban at Unipart

ABOUT 1,500 BL workers employed by the Unipart division imposed an overtime ban yesterday over a bonus dispute. Talks will be held with the management on May 15.

The men, from the main Unipart centre at Cowley, and from depots in Coventry and Cardiff, want the present bonus scheme revised. They claim it is not working and most are taking home only £70 a week after deductions.

Dome bids for 13 per cent stake in Conoco

BY PAUL BETTS IN NEW YORK

DOME PETROLEUM, Canada's largest oil exploration company, is to bid U.S.$910m (£430m) for a 13 per cent stake in Conoco, the ninth largest U.S. oil group. The offer is the first step in an attempt to gain control of Hudson's Bay Oil and Gas, a Canadian exploration group controlled by Conoco.

Dome emphasised that its bid for 14m Conoco shares at U.S.$65 a share was not designed to seek control of Conoco. The Canadian company wished rather to negotiate with Conoco the swap of the U.S. oil group's controlling interest in Hudson's Bay Oil and Gas for a portion of the Conoco shares Dome is proposing to acquire with its offer.

Mr. Ralph Bailey, Conoco's chairman, said yesterday that his group, which is also the second largest U.S. coal producer, had not yet received a copy of the surprise Dome offer. Conoco was unable to say whether it would accept or reject the Dome bid, which will be examined shortly by its board.

The unusual aspect of the Dome bid, according to Wall Street oil industry analysts, is that the Canadian oil company seems to consider that it has a better chance of acquiring Conoco's controlling interest in Hudson's Bay Oil and Gas through a direct purchase of Conoco shares and a subsequent exchange, rather than by a straight bid for Conoco's 52.9 per cent stake in the Canadian oil and gas group.

Dome also wants to reserve the right to lift its stake to 22m shares or 20 per cent of Conoco's common stock. This would allow Dome to include in its own earnings statement its share of Conoco's income.

This would also enable Dome to benefit from a stake in Conoco should the U.S. oil company, which is substantially larger than Dome, refuse to sell its interest in Hudson's Bay Oil and Gas.

In response to Dome's bid, Conoco's shares advanced strongly in the New York stock market. After Tuesday's close of $49.875, they opened sharply up higher at $58 yesterday after a brief delay.

Mr. Bailey told Conoco shareholder's at the company's annual meeting on Tuesday that the company was beginning to alter its investment strategy in Canada in the light of the Canadian Government's new national energy programme. Conoco was now calling for greater selectivity in Canadian petroleum investments of Hudson Bay Oil and Gas while accelerating its non-Canadian oil investments. It also wanted to develop the Canadian group's operations in other natural resources.

These diversification moves are being made because the Canadian national energy programme aims to ensure exploration and development of Federal land by Canadian-controlled companies.

At the end of last year, the proven oil reserves of Hudson Bay Oil and Gas totalled 265m barrels. Its gas reserves totalled 3,438bn cubic feet. Its crude oil production last year ran at 54,194 barrels a day. International operations accounted for 3,027 b/d.

Though mainly a petroleum exploration and production company, Hudson's Bay Oil and Gas is also active in oil sands, base metals exploration and development, as well as coal and uranium exploration.

Conoco reported earnings of $1bn on revenues of $18.8bn last year. Dome reported earnings of C$287m on revenues of C$1.14bn in 1980.

Dome is establishing a new Canadian exploration subsidiary called Dome Canada to take advantage of Canada's new energy policy.

Dome's energy role, Page 28

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.